

new zealand
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Te Pukapuka Houanga Whaimana
o Aotearoa 2010

107th edition



Statistics New Zealand

For further information about statistics, and for help finding or using the statistical information available on the Statistics New Zealand website, please contact the information centre:

Email info@stats.govt.nz
Phone toll-free 0508 525 525
Phone +64 4 931 4600
Fax +64 4 931 4030
Website www.stats.govt.nz

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Statistics New Zealand

Production editor Richard King

Senior editor Jan Schrader

Editor Andrew Wellings

Production assistants Vomlee Springford Antas, Sebastian Wright

Technical support Shirley Dixon, Nicky McCreanor

Other

Graphics and typesetters Totem Communications Ltd

Cover Shelley Watson/Sublime Design

Indexer Jill Gallop

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Preface

The *New Zealand Official Yearbook* has provided a comprehensive statistical picture of life in New Zealand since 1893. However, it has an even longer pedigree; the government was producing 'Blue Books' of statistical information as early as 1853, and 'handbooks', produced largely as guides for intending settlers, were published from 1875.

The 107th edition proudly continues this long tradition, providing a wide-ranging picture of New Zealand society in 2010, based on the latest information available.

In recent years, Yearbooks have usually carried a theme. This year we are celebrating New Zealand's diversity, and this theme provides a common thread for many of the sidebar articles and illustrations throughout the book.

New Zealand has changed enormously since the early days of this publication, most obviously in how much more ethnically diverse we have become as a nation. Immigrants from many countries have been making New Zealand their home in recent decades, enriching the country with their cultures and traditions.

Family structure is now more varied than the nuclear family of a few decades ago, and the ways in which we engage with work have also changed substantially. More educational options are available, such as *kura kaupapa Māori*, where children are taught solely in *te reo* and immersed in Māori cultural values.

Since MMP was introduced in 1996, we have voted in a more diverse Parliament – the proportion of women has increased from an average of 7 percent (from 1938 to 1993) to 34 percent (2008), members are younger than they used to be (28 years and up), there are now more Asian and Pacific MPs, and we have MPs with different sexual orientations and religions.

A greater diversity in our global relationships is evidenced by the change in New Zealand's trade – today less than 5 percent of our exports go to the United Kingdom, compared with more than half in 1960.

We have come a long way since the introduction of television 50 years ago. New technology has given us increasingly diverse and complex ways to communicate and find information. Using pocket-sized devices, we can make phone calls, send text messages, listen to music, read books, watch films, and access official statistics freely and easily on the Internet.

Since the previous Yearbook was published in 2008, a global recession has shaken the foundations of many world economies. While New Zealand was not as badly affected as many countries, the recession had a major impact here as well, and this is reflected in much of the information in this edition.

On behalf of Statistics New Zealand, I thank the nearly 300 businesses, government departments, non-government organisations, academic institutions, and individuals for their time, effort, and goodwill in providing and updating contributions to the *New Zealand Official Yearbook 2010*. Their high level of cooperation with the Yearbook, along with the contributions from respondents to all our surveys, ensures the continuing high quality of New Zealand's official statistics.



Geoff Bascand
Government Statistician





The New Zealand flag

The New Zealand flag is the symbol of the realm, government, and people of New Zealand. The flag features, on a royal blue background, a Union Jack in the upper quarter and the four five-pointed red stars of the Southern Cross on the fly. The stars have white borders. The flag's royal blue background represents New Zealand's clear blue sea and sky, while the stars of the Southern Cross reference the country's location in the South Pacific Ocean. The Union Jack acknowledges that New Zealand was once a British colony and dominion. The flag, previously known as the New Zealand Ensign, was declared the National Flag of New Zealand under the Flags, Emblems and Names Protection Act 1981.



Te Hakituatahi o Aotearoa – 1835 The First Flag of New Zealand

The flag features a red St George's Cross on a white field. A smaller St George's Cross is depicted in red, on a blue field, in the upper quarter. This cross is separated from the blue by a narrow border (fimbriation) of black, half the width of the red. In the centre of each blue quarter is a white eight-pointed star.

For a detailed history of Te Hakituatahi o Aotearoa, see chapter 3: Government.



The New Zealand coat of arms

One of the few specific changes resulting from New Zealand being granted dominion status in 1907 was the right for the country to have its own coat of arms. The design was approved by royal warrant on 26 August 1911. Before then, New Zealand had used the United Kingdom coat of arms, which featured a lion and a unicorn on either side of a shield and crown. This design still adorns the top of the pediment on the Old Government Buildings in Lambton Quay, Wellington.

The 1911 coat of arms was revised in 1956, following further constitutional changes when the country went from being the 'Dominion of New Zealand' to the 'Realm of New Zealand'. The British lion holding aloft the Union Jack was replaced by St Edward's Crown, which was worn by Queen Elizabeth II at her coronation. At the same time, the dress of the figures at the side of the shield was revamped, some scroll work at the base was replaced by two ferns, and the motto 'Onward' was replaced with 'New Zealand'.

The shield itself remained unchanged. The first quarter features four stars, representing the Southern Cross. The three ships in the centre of the shield symbolise the importance of New Zealand's sea trade. In the top right quarter, a fleece represents the farming industry. The wheat sheaf in the bottom left quarter represents the agricultural industry, while the crossed hammers in the bottom right quarter represent the mining industry. On either side of the shield are a Māori chieftain holding a taiaha (Māori war weapon) and a European woman holding the New Zealand flag. Above the arms is the St Edward's Crown. The crown symbolises that the Queen is Queen of New Zealand under the New Zealand Royal Titles Act 1953.

The New Zealand coat of arms is protected under the Flags, Emblems and Names Protection Act 1981. Use of the coat of arms is restricted to the government, and it may not be used by private individuals or organisations.



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GNS Science

This extraordinary landscape inland from Timaru is classic karst or sinkhole topography. This type of erosion, due to dissolution from rainwater, is common in limestone country like this. Limestone is largely composed of a single mineral, calcite, which is easily dissolved in the presence of acid, even at the extremely low levels found in rainwater.

Image removed due to copyright issues

GNS Science

A view of Banks Peninsula, near Christchurch, with the Southern Alps in the background. The mountains appear as a long wave on the horizon, a ripple in the earth's crust resulting from the Pacific plate in the east colliding with the Australian plate in the west.

1 | Geography

Physical features

New Zealand lies in the south-west Pacific Ocean and consists of two main and a number of smaller islands. Their combined area of 267,707 square kilometres is similar in size to Japan or the British Isles. Table 1.01 gives the size of the islands that make up New Zealand.

The main North and South Islands are separated by Cook Strait, which, at its narrowest point, is 20 kilometres wide.

The North and South Islands lie on an axis running from north-east to south-west, except for the low-lying Northland peninsula.

The administrative boundaries of New Zealand extend from 33 degrees to 53 degrees south latitude and from 160 degrees east to 173 degrees west longitude.

In addition to the main and nearby islands, New Zealand also includes the small outlying Chatham Islands (two of which are inhabited), 850 kilometres east of Christchurch; Raoul Island, in the Kermadec Group, 930 kilometres north-east of the Bay of Islands; the Snares Islands, 100 kilometres south-west of Stewart Island; the Auckland Islands, 370 kilometres south of Stewart Island; Campbell Island, 590 kilometres south of Stewart Island; the Bounty Islands, 680 kilometres east of Dunedin; and the Antipodes Islands, 750 kilometres south-east of Dunedin.

New Zealand also has jurisdiction over the territories of Tokelau and the Ross Dependency.

New Zealand is more than 1,600 kilometres long, 450 kilometres across at its widest part, and has a long coastline (more than 18,000 kilometres) for its area. The coast is very indented in places, providing many natural harbours.

The country is also very mountainous, with about three-quarters of the land 200 metres or more above sea level.

In the North Island, the main ranges run generally north-east to south-west, parallel to the coast, from East Cape to Cook Strait, with further ranges and four volcanic peaks to the north-west.

The South Island is much more mountainous than the North Island, with the Southern Alps, a massive mountain chain, running nearly the length of the island. There are many outlying ranges to the Southern Alps in the north and the south-west of the South Island. New Zealand has at least 223 named peaks higher than 2,300 metres. Table 1.02 (overleaf) lists the highest mountains and peaks in both the North and South Islands.

Table 1.01

Land area of New Zealand ⁽¹⁾	
	Size (sq km)
North Island	114,154
South Island	150,416
Stewart Island/Rakiura	1,681
Chatham Islands	963
Raoul Island	34
Campbell Island/Motu Ihupuku	113
Offshore islands ⁽²⁾	346

(1) Includes all internal waterways (lakes and rivers).
(2) Includes all offshore islands 20 square kilometres or larger, except those listed separately.

Source: Land Information New Zealand

Geographical extremes of New Zealand

Highest point	Aoraki Mt Cook (3,754m)
Lowest point	Bottom of Lake Hauroko (462m below sea level)
Largest lake	Taupō (606sq km)
Deepest lake	Hauroko (462m)
River with greatest flow	Clutha (650cu m/sec)
Longest glacier	Tasman (29km)
Deepest cave⁽¹⁾	Ellis Basin system (1,026m)
Town furthest from sea	Cromwell (120km approx)
Coastline length	18,252km
Width at its widest point	450km

(1) 2010 data; New Zealand Speleological Society.

Source: Land Information New Zealand (from 2007 data)

There are 360 glaciers in the Southern Alps. The largest are, on the east, the Tasman (29 kilometres in length), Murchison (13km), Mueller (13km), Godley (13km), and Hooker (11km), and on the west, the Fox (15km) and the Franz Josef (13km).

New Zealand's rivers (see table 1.03) are mainly swift and difficult to navigate. They are important as sources of hydroelectric power, and artificial lakes have been created as part of major hydroelectric schemes.

The artificial lakes created by the South Island's hydroelectric schemes are included in table 1.04, which lists the country's principal lakes.

Table 1.02

Principal mountains and peaks			
Mountain or peak	Elevation (metres)	Mountain or peak	Elevation (metres)
North Island			
Ruapehu	2,797	Lendenfeld Peak	3,194
Taranaki or Egmont ⁽¹⁾	2,518	Graham	3,184
Ngāuruhoe	2,287	Torres Peak	3,160
Tongariro	1,967	Sefton	3,151
		Haast	3,114
		Elie De Beaumont	3,109
South Island			
Aoraki Mt Cook ⁽²⁾	3,754	La Perouse	3,078
Tasman	3,497	Douglas Peak	3,077
Dampier	3,440	Haidinger	3,070
Silberhorn	3,300	Minarets	3,040
Malte Brun	3,199	Aspiring/Tititea	3,033
Hicks (St Davids Dome)	3,198	Glacier Peak	3,002

(1) Taranaki or Egmont was gazetted by the New Zealand Geographic Board in 1986 as the mountain's dual name. (2) GNS Science photogrammetrically confirmed the height of Aoraki Mt Cook as 3,754 metres after a slip from the peak in 1991.

Source: Land Information New Zealand (from 2007 data)

Table 1.03

Principal rivers ⁽¹⁾			
North Island rivers	Length (km)	South Island rivers	Length (km)
Flowing into the Pacific Ocean		Flowing into Cook Strait	
Rangitaiki	193	Wairau	169
Waihou	175	Flowing into the Pacific Ocean	
Mōhaka	172	Clutha/Mata-Au	322
Ngāruoro	154	Taieri	288
Flowing into the Tasman Sea		Clarence	209
Waikato	425	Waitaki	209
Whanganui	290	Waiau	169
Rangitikei	241	Waimakariri	161
Manawatū	182	Flowing into Foveaux Strait	
Whangaehu	161	Mataura	240
Mōkau	158	Waiau	217
		Ōreti	203
		Flowing into the Tasman Sea	
		Buller	177

(1) More than 150 kilometres in length from the mouth to the farthest point in the river system, irrespective of name, including estimated courses through lakes.

Source: Land Information New Zealand

Table 1.04

Principal lakes ⁽¹⁾					
	Maximum depth (metres)	Area (sq km)		Maximum depth (metres)	Area (sq km)
North Island					
Taupō (Taupō Moana)	163	613	Manapōuri	444	139
Rotorua	45	81	Hāwea	384	152
Wairarapa	3	77	Tekapō	120	96
Waikaremoana	248	50	Benmore (artificial)	120	75
Tarawera	87	41	Hauroko	462	71
Rotoiti	94	34	Ōhau	129	59
Waikare	2	34	Poteriteri	..	44
			Brunner (Moana)	109	41
			Coleridge	200	37
South Island					
Te Ānau	417	344	Monowai	161	32
Wakatipu	380	295	Aviemore (artificial)	62	28
Wānaka	311	201	Dunstan (artificial)	70	27
Ellesmere (Te Waihora)	2	197	Rotorua	152	24
Pūkaki	99	172	McKerrow/Whakatipu Waitai	121	23

(1) Greater than 20 square kilometres in area.

Symbol: .. figure not available

Source: NIWA (depths); Land Information New Zealand (areas, from 2007 data)

Table 1.05

New Zealand caves			
Name	Area	Depth (metres)	Year first measured
Deepest			
1 Ellis Basin system	Mt Arthur	1,026	2010
2 Nettlebed Cave	Mt Arthur	889	1986
3 Bulmer Cavern	Mt Owen	755	1988
4 HH Cave	Mt Arthur	721	1984
5 Bohemia Cave	Mt Owen	713	1994
6 Incognito/Falcon	Mt Arthur	540	1991
7 Viceroy Shaft	Mt Owen	440	1999
8 Deep Thought	Mt Owen	422	2007
9 Greenlink-Middle Earth	Tākaka Hill	401	1983
10 Twin Traverse	Mt Arthur	400	2001
11 Windrift	Mt Arthur	362	1985
12 Legless	Tākaka Hill	362	2000
13 Harwood Hole	Tākaka Hill	357	1959
14 Gorgoroth	Mt Arthur	346	1972
15 Rotapot	Mt Owen	341	2001
	Area	Surveyed length (metres)	
Longest			
1 Bulmer Cavern	Mt Owen	64,055	
2 Ellis Basin system	Mt Arthur	28,730	
3 Nettlebed Cave	Mt Arthur	24,252	
4 Megamania	Buller	14,800	
5 Honeycomb Hill Cave	Oparara	13,712	
6 Gardner's Gut	Waitomo	12,197	
7 Bohemia Cave	Mt Owen	11,230	
8 Greenlink System	Tākaka Hill	9,943	
9 Mangawhitikau system	Waitomo	8,054	
10 The Metro/Te Ananui	Charleston	8,000	
11 Aurora-Te Ana-au	Te Anau	6,400	
12 Mangaone Cave	Gisborne	6,300	
13 Moonsilver Cave	Upper Tākaka	5,900	
14 Waitomo headwaters system	Waitomo	5,618	
15 Millars Waterfall	Waitomo	5,150	

Source: New Zealand Speleological Society

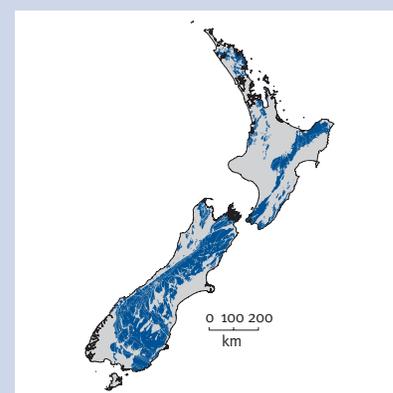
Geology and soils

New Zealand is in an area of the world characterised by active volcanoes and frequent earthquakes. The 'ring of fire', as this area is known, forms a belt that surrounds the Pacific Ocean and is the surface expression of a series of boundaries between the plates that make up the earth's crust.

The boundary between the Australian and the Pacific plates runs through New Zealand, and processes from their collisions have had a profound effect on New Zealand's size, shape, and geology.

Image removed due to copyright issues

New Zealand's national rock



Greywacke is represented by blue.

The most widespread type of rock in New Zealand is greywacke. In terms of area, it comprises about 60 percent of the New Zealand landmass. The remainder is a mix of igneous rocks (volcanic rocks and granite), metamorphic rocks (gneiss and schist) and 'young' sedimentary rocks (less than 125 million years old). Accordingly, greywacke may be regarded as New Zealand's 'national' rock.

This rather strange word is derived from an old German mining term, 'grauwacke', meaning 'grey sandstone'. Though reasonably well known within New Zealand, the word is largely unknown by the rest of the world.

True to its original meaning, greywacke is indeed grey in colour, though it comes in a huge spectrum of hues and tints. It is predominantly composed of sandstone and to a lesser extent siltstone.

It is a hard sedimentary rock that originally accumulated as sediment (sand, silt, and also gravel and mud) on the sea floor off the coast of eastern Gondwanaland during Palaeozoic and Mesozoic times, between 510 and 65 million years ago. These sediments would have been deposited by large, fast-flowing rivers draining a mountainous landscape, not unlike the modern-day west coast of the South Island.

Geologists have been fascinated by New Zealand's greywacke for decades, ever since it was realised that there is no suitable granite source within New Zealand from which the original greywacke sediments must have been derived. However, sustained research in the past decade has established that the most plausible source for most of it is north-east Queensland.

Plate tectonics are responsible for the transformation of the original sediments into greywacke, as well as for transporting Zealandia (the New Zealand continental crust) away from its original Gondwanaland home.

Greywacke is more conspicuous in the South Island than the North Island and is not present at all on Stewart Island. The Southern Alps are dominated by greywacke, as are many of the ranges that lie east of the Main Divide in Marlborough, Canterbury, and Otago. Glacial and fluvial erosion of these greywacke highlands has generated voluminous gravels that form extensive coastal plains, most notably the Canterbury Plains on the eastern side of the South Island.

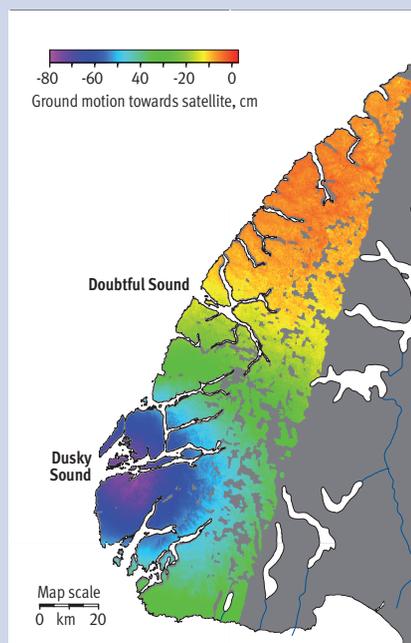
The main axial ranges of the North Island are also made up of greywacke, and a lot of the younger and much softer grey sediments that dominate so much of the landscape of the central and eastern North Island are derived from erosion of the older greywacke substrate.

Source: GNS Science

GNS Science

The Upper Taieri River meanders through Central Otago.

Dusky Sound earthquake



Map showing ground displacement caused by the Dusky Sound earthquake.

The magnitude 7.8 earthquake that occurred near Dusky Sound on 15 July 2009 was the largest earthquake in New Zealand since the devastating Hawke's Bay event of 1931. It was also one of the largest in the world that year. The earthquake was felt across much of New Zealand and justifiably generated considerable interest from scientists, the media, and the public. Despite its magnitude, however, it caused relatively minimal damage compared with worldwide events of a similar size, because of the sparse population of Fiordland and the specific physical characteristics of the earthquake.

Scientific analysis found the earthquake occurred on the interface between the eastward-subducting Australian plate and the overriding Pacific plate. During the earthquake, this interface ruptured toward the south-west (ie toward the ocean). This is likely to have helped lower the intensity of shaking on land that otherwise might have been expected for such a large, shallow event. The mature nature of the fault surface, common to most plate interface earthquakes worldwide, provided a low-friction slip surface that also helped to reduce the amount of shaking. As a result, far fewer landslides were triggered from this event than from the magnitude 7.2 earthquake that took place near Secretary Island, further to the north of Fiordland, in 2003.

A tide gauge in Jackson's Bay recorded a one-metre tsunami that was generated by the earthquake. Field reconnaissance conducted shortly after the event found fish, shells, and starfish deposited more than a metre above and eight metres inland of the spring high tide line. Tsunami deposits at Passage Point show that it reached a height of at least two metres.

Radar images, taken over the earthquake region by Japanese satellite, can be used to very precisely determine displacements of the surface of the earth. Scientists processed three different post-earthquake scenes and combined them with pre-earthquake scenes to provide images of how the ground changed. These images show that parts of Fiordland have been permanently displaced by more than 70 centimetres (see map above).

Source: GNS Science

Landscape

New Zealand's landscape is primarily the result of mountains being created between about six million years ago and the present.

Mountain chains have been built by the folding and displacement of the earth's crust along faults, or by the flexing of crustal plates, due to sediment loading and unloading. As a result of this activity, well-preserved tilted blocks bounded by fault scarps (steep faces hundreds or even thousands of metres high) are visible in the landscape of some regions.

Ongoing movement of the Pacific and Australian plates is responsible for continued earth strain in New Zealand, and this results in periodic rupture of faults, with several of these causing major earthquakes in the last hundred years.

Earthquakes

Living in New Zealand means living with earthquakes. There is an almost continuous belt of earthquake activity around the edge of the Pacific Ocean that affects the geological stability of many countries on the Pacific Rim, particularly New Zealand, the west coast of the United States, Chile, Peru, Japan, and the Philippines.

New Zealand's level of earthquake activity is similar to that of California, but slightly lower than that of Japan. A shallow magnitude 8 earthquake occurs in New Zealand about once a century, a shallow magnitude 7 earthquake about once a decade, and a shallow magnitude 6 earthquake about once a year.

New Zealand has many earthquakes because it straddles the boundary between two of the earth's great tectonic plates – the Pacific plate in the east and the Australian plate in the west. These two plates are converging obliquely at different rates – about 30 millimetres a year in Fiordland, increasing to about 50 millimetres a year at East Cape in the North Island.

The plates converge in different ways. In the North Island and the northern South Island, the Pacific plate sinks below the Australian plate. Earthquakes originating within the sinking Pacific plate are less than 60 kilometres deep along the eastern coast and become deeper westward.

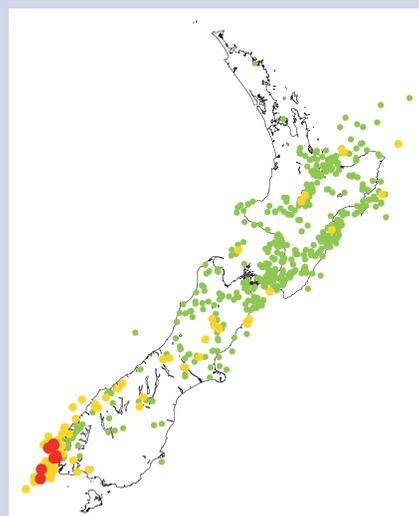
Table 1.06

Earthquake fatalities since 1843 ⁽¹⁾			
Date	Location	Magnitude ⁽²⁾	Deaths
1843 (July 8)	Wanganui	7.5	2
1848 (Oct 17)	NE Marlborough (aftershock)	6.0 ⁽³⁾	3
1855 (Jan 23)	SW Wairarapa	8.2	8
1882 (date unknown)	Kapiti Coast	5–6	3
1901 (Nov 16)	Cheviot	6.8	1
1913 (Apr 12)	Masterton	5.6	1
1914 (Oct 7)	East Cape	6.6	1
1929 (June 17)	Murchison	7.7	15
1931 (Feb 3)	Hawke's Bay	7.8	261
1968 (May 24)	Inangahua	7.2	2
Total deaths			297

(1) Information on deaths due to earthquakes before 1843 is not available. (2) Richter scale. (3) Estimate.

Source: GNS Science

Earthquakes in New Zealand, 2008–09



This map shows earthquakes felt in New Zealand in 2008 and 2009. Moderate earthquakes are capable of causing damage to household contents and fittings, whilst significant earthquakes can damage structures.

Of note are the magnitude 7.8 Dusky Sound earthquake of 15 July 2009 and its major aftershocks, located in the Fiordland region. While they caused moderate damage in Otago and Southland, their remoteness and unusual energy release meant that southern New Zealand was spared greater impact. A localised area north-west of Turangi on the southern shores of Lake Taupō was subjected to an earthquake swarm around 27 June 2009, including two earthquakes of magnitude 4.3 and 4.4. This led to an evacuation of the village of Waihi after fears that the earthquakes could cause landsliding into the settlement.

Green – minor Yellow – moderate Red – significant

Source: GNS Science

In Fiordland and the region to the south, the Australian plate sinks (subducts) beneath the Pacific plate, so earthquake sources are shallow in the west and become deeper eastward.

Between these two subduction zones, the crust of both plates is too buoyant to subduct, so at the point where they meet, they both lift. This uplifting has created the Southern Alps, and horizontal movement along the Alpine Fault. As a result, parts of Nelson and western Otago, adjacent five million years ago, are now 450 kilometres apart.

Shallow earthquakes are the most numerous and originate within the earth's crust, which has an average thickness of 35 kilometres in New Zealand. Crustal earthquakes are responsible for almost all damage to property and occur widely throughout New Zealand.

In the Taupō volcanic zone, from White Island to Ruapehu, swarms of small earthquakes of similar magnitude are common, and are associated with the area's active volcanism. Although the number of such shocks can be alarming, they rarely cause major damage.

Earthquake risk The worst disaster in New Zealand that can reasonably be expected within a generation is a 7.5 magnitude earthquake on the segment of the Wellington Fault within the city. It has about a 10 percent probability of occurring within the next 100 years and would affect 200,000 residential properties, from Palmerston North to Nelson, as well as roads, bridges, and dams, and services such as electricity, water, and sewerage.

GNS Science runs national and regional earthquake and volcano monitoring networks. A major upgrade of monitoring equipment began in 2001 with the Earthquake Commission providing funding over 10 years. The project, known as GeoNet, is being undertaken by GNS Science on a not-for-profit basis for the national good. GeoNet equipment at sites throughout New Zealand is linked to GNS Science data centres via satellite, cellular, and radio networks, permitting more rapid and reliable determination of the location and magnitude of all significant earthquakes and volcanic activity within the New Zealand region. GeoNet information is made available to civil defence and emergency management authorities and international earthquake centres, and also underpins current and emerging research on geological hazards.

New Zealand scientists undertake a large body of research aimed at improving the understanding of, and ways to mitigate, seismic and volcanic risk in New Zealand. Mitigation measures include improved engineering design of buildings and infrastructure, better prepared communities, and better regional planning.

The GeoNet website (www.geonet.org.nz) provides public access to information about hazards, including earthquake bulletins and volcano alerts. It also provides access to fundamental datasets, such as GPS Rinex files, earthquake hypocentres, and instrument waveform data. This information is freely available to the research community.

Volcanic hazards

The New Zealand region is characterised by both a high density of active volcanoes and a high frequency of eruptions. Volcanic activity in the New Zealand region occurs within the North Island and offshore to the north-east in the Kermadec Islands. In the past 150 years, more people have been killed by volcanoes than by earthquakes, yet the scale and style of historically recorded volcanic activity is dwarfed by events known to have occurred in the past 2,000 to 5,000 years.

Volcanism in New Zealand is confined to five areas in the North Island – the Bay of Islands, Whangarei, Auckland, a zone extending from White Island to Ruapehu, and Taranaki or Egmont. The area from White Island to Ruapehu is known as the Taupō Volcanic Zone and is by far the most frequently active. There are three major types of volcano in New Zealand:

- Volcanic fields – such as Auckland, where each eruption builds a single small volcano (eg Mt Eden), that does not erupt again. The next eruption in the field occurs at a different place, the site of which cannot be predicted until the eruption is imminent.
- Cone volcanoes – such as Mt Taranaki and Mt Ruapehu, where a succession of small eruptions occurs from roughly the same point on the earth's surface. The products of successive eruptions accumulate close to the vent to form a large cone, which is the volcano itself. The site of future eruptions can generally be predicted.
- Caldera volcanoes – such as Taupō and Rotorua. Eruptions at these volcanoes are occasionally so large that the ground surface collapses into the 'hole' left behind. For example, Lake Taupō fills a caldera formed in two episodes about 1,800 and 26,000 years ago.

The Taupō Volcanic Zone contains four frequently active cone volcanoes (Ruapehu, Tongariro, Ngāuruhoe, and White Island) and two of the most productive caldera volcanoes (Taupō and Ōkātina) in the world.

Casualties Deaths due directly or indirectly to volcanic activity (and associated hydrothermal explosions) represent the biggest single source of fatalities from natural disasters in New Zealand since 1846.

Table 1.07 (overleaf) lists deaths in volcanic areas of New Zealand since 1846. Economic loss due to volcanism, however, has been low compared with that from earthquakes or flooding. The cost of the 1995 and 1996 eruptions of Ruapehu has been estimated at \$130 million.

An assessment of the size and style of volcanic eruptions in the geologically recent past, coupled with consideration of the economic development of New Zealand, especially in the central North

New Zealand tsunami monitoring network

Since the Indonesian 'Boxing Day' tsunami in December 2004 there has been an increased awareness of the hazard posed by tsunami. As a result, the number of tsunami monitoring stations around the world is increasing dramatically.

In New Zealand, GNS Science (through the Earthquake Commission-funded GeoNet project), in partnership with Land Information New Zealand, is installing a real-time tsunami monitoring network around the coast and on offshore islands.

By understanding the characteristics of earthquakes, applying data gained from the tsunami monitoring network, and using the expert advice of tsunami scientists from around New Zealand, GeoNet is able to provide timely tsunami advice to the Ministry of Civil Defence and Emergency Management to help with evacuation decisions.

In New Zealand a network of 19 tsunami monitoring stations is being established, 14 of which have already been installed. A pilot site was installed in Wellington Harbour at the beginning of 2007 and the network was scheduled to be completed in mid-2010.

The tsunami generated by an 8.8 magnitude earthquake in Chile on 27 February 2010 was well recorded on all of the operational stations in the New Zealand tsunami monitoring network. The largest recorded waves were nearly two metres (peak to trough) and were observed at Owenga Wharf on Chatham Island and at Gisborne.

New Zealand will extend its tsunami and earthquake monitoring capability to include the wider south-west Pacific region through collaboration with the Pacific Tsunami Warning Centre, Australia, and other south-west Pacific island countries.

- Offshore islands – Five stations will be located on offshore islands (including Australian sites at Norfolk Island and Macquarie Island). These stations will monitor incoming regional and distant events.
- At-risk coasts – Seven stations will be positioned along at-risk coasts and will detect the first landfall of tsunami waves on the mainland.
- Population centres – A further seven stations will be installed at centres of population that are vulnerable to tsunami, and will be used to issue an 'all clear' after an event.

At each monitoring station, relative sea-level and wave heights will be measured by two pressure sensors submerged in the ocean. These will be either attached to a vertical structure, such as a wharf, or bolted to the sea floor. The sensors will be connected to data-logging equipment that will record relative sea levels, sampling 10 times per second.

An equipment cabinet will house the data logger, communications gear, and batteries. A small GPS (global positioning system) antenna, which enables accurate timing, will be mounted near the cabinet. Solar panels and telemetry equipment may also be mounted near the equipment cabinet.

The tsunami data will be transmitted in near real-time to the GeoNet Data Management Centre in Lower Hutt, from where it can be disseminated for use by emergency crisis management, both locally and internationally.

The data will assist in emergency response following the detection of a tsunami and will also be freely available for research. The monitoring network will contribute to an international collaboration to collect and share near real-time tsunami data in the Pacific.

Source: GNS Science

Auckland Volcano-Seismic Monitoring Network

Much of Auckland is built directly on the Auckland volcanic field (AVF). Between Manurewa (south) and Takapuna (north) the AVF covers an area of 360 square kilometres, and comprises a minimum of 49 scattered volcanic centres in the form of maars, tuff rings, scoria cones, and associated lava fields.

None of these is expected to erupt again – the next eruption will be in a new, unknown location.

Monitoring the seismic activity of the volcanic field can give an early warning of an impending volcanic eruption. Knowing when and where the next eruption will occur will help the Civil Defence Emergency Management Group, which includes all the emergency services, lifeline utilities, health authorities, and territorial local authorities in the region decide where help and support is required.

The Auckland Volcano-Seismic Monitoring Network (AVSN) monitors seismic activity associated with the possible onset of a volcanic eruption. The AVSN currently has seven sites across the greater Auckland area at which seismic activity is monitored. The data collected at these sites is radioed to a central recording site at the regional council and then transmitted by satellite to GNS Science at Wairakei for analysis.

As magma rises towards the surface, it can generate ground vibrations, or pressure waves. These waves travel through the ground and are measured by sensitive motion detectors called seismometers, which detect the arrival time and strength of each wave. This data is sent by radio to the Auckland Regional Council where it is digitised and then continuously transmitted via satellite to GNS Science at Wairakei.

At GNS Science, the data is monitored by specialised computer software that is able to detect if seismic activity has occurred locally. If it has, the data will be examined immediately, and if sufficient data has been recorded, it will be analysed to determine whether or not the earthquake is of volcanic origin. 'Volcanic earthquakes and tremors' look different from 'tectonic earthquakes' that are associated with the release of strain in the earth's crust (often along faults).

The service offered by the AVSN has the potential to warn of an impending volcanic eruption less than one hour after the initial seismic activity, 24 hours a day, seven days a week.

Source: Auckland Regional Council

Table 1.07

Deaths in volcanic areas since 1846 ⁽¹⁾			
Year	Location (eruption)	Cause/hazard	Fatalities
1846	Waihi (Lake Taupō)	Debris avalanche/mudflow from thermal area	60 ⁽²⁾
1886	Tarawera Rift	Large volcanic eruption	>108
1903	Waimangu (Tarawera)	Hydrothermal explosion	4
1910	Waihi (Lake Taupō)	Debris avalanche/mudflow from thermal area	1
1914	White Island	Debris avalanche from crater wall	11
1917	Waimangu (Tarawera)	Hydrothermal explosion	2
1953	Tangiwai (Ruapehu)	Lahar and flood from crater lake	151
2006	Raoul Island	Phreatic explosion ⁽³⁾	1
Total deaths			>338

(1) Information about deaths in volcanic areas before 1846 is not available. (2) Estimate. (3) Explosion caused by the heating and expansion of underground water.

Source: GNS Science

Island, shows that the record since 1846 represents only a fraction of the type and size of hazard posed by New Zealand volcanic activity.

Surveillance All the active volcanoes in New Zealand are monitored as part of the GeoNet project funded by the Earthquake Commission. This provides a near real-time understanding of volcanoes.

Volcanologists use three primary techniques to establish the status of an active volcano:

- Monitoring volcanic earthquakes – this is done using closely spaced networks of seismometers, designed to detect movement of magma (molten rock) below the surface and allow assessment of the possible onset and timing of eruptive activity. There are five volcano-seismic networks in New Zealand (Auckland, Bay of Plenty–Rotorua, Taranaki, Tongariro, and Taupō).
- Monitoring ground deformation – this is done using precise geodetic surveys. The concept is that if magma is moving upwards before an eruption it will cause the volcano to swell (ie the ground surface to rise) and this swelling can be detected. Most of this work is done using continuous global positioning system installations on the volcanoes. The lakes at Taupō and Tarawera are also used as giant spirit levels to detect height changes.
- Monitoring volcanic gases – magma at depth in the earth has gases (carbon dioxide, together with various compounds of sulphur, chlorine, and fluorine) dissolved in it. As the magma rises to shallow levels before an eruption, these gases are released and come to the surface via fumaroles. The temperatures and abundance of the gases, and their relative proportions, give information on the state of the magma and how close to the surface it is.

In a volcanic crisis, practical steps can be taken to mitigate risk and lessen the threat to life, but this requires accurate recognition of the onset of a crisis.

This recognition in turn depends on a knowledge of the background or 'normal' levels of seismicity, ground movement, and gas flux at the volcano, coupled with real-time determination of any significant changes from normal levels of activity.

The GeoNet active volcano surveillance programme helps define these background levels.

Image removed due to copyright issues

Alastair Jamieson

The basalt crater of Mangere Mountain, one of the many volcanoes in the Auckland region, with Mangere Bridge and the Manukau Harbour in the background.

Climate

Summaries of New Zealand’s climate extremes compiled by the National Institute of Water and Atmospheric Research Ltd (NIWA) contain detailed descriptions of the most extreme weather events recorded in the country.

The maps in figure 1.01 (overleaf) show mean annual figures struck over a 30-year period, to create what are referred to as ‘climate norms’. The next ‘normal’ period for calculating mean annual figures will be 1981 to 2010.

The climate of New Zealand is largely influenced by:

- its location in a latitude zone where the prevailing wind flow is westerly
- its surrounding ocean environment
- its mountains, especially the main mountain chain, which modify weather systems as they pass eastwards, and which also provide a sheltering effect on the leeward side.

Day-to-day weather is mostly determined by a series of anticyclones and troughs of low pressure in the westerlies. Consequently, New Zealand’s weather is changeable, typically with short periods of settled or unsettled weather. At times, the westerly regime breaks down and there are cold, southerly outbreaks, with snow in winter and sometimes spring; or northerly intrusions of warm, moist air when tropical depressions move southwards into New Zealand latitudes in the summer.

The main mountain chain, the Southern Alps, is a major barrier to weather systems approaching from the west. Consequently, there is a marked contrast between the climates of regions west and east of the mountains. This contrast is much greater than north–south climatic differences.

Surrounding oceans have a moderating effect on temperatures in most northern and western regions. However, inland and eastern areas can experience large temperature variations.

High temperatures usually occur in the east in warm, north-westerly wind conditions. These high temperatures are often followed by sudden falls in temperature, as cold fronts move up the east coast of both islands. Many parts of New Zealand are subject to extremes of wind, occasionally causing damage to buildings and forests, and rain, as depressions with their fronts pass close to, or over, the country. The rugged terrain is an important factor in enhancement of wind strength and/or rainfall.

Image removed due to copyright issues

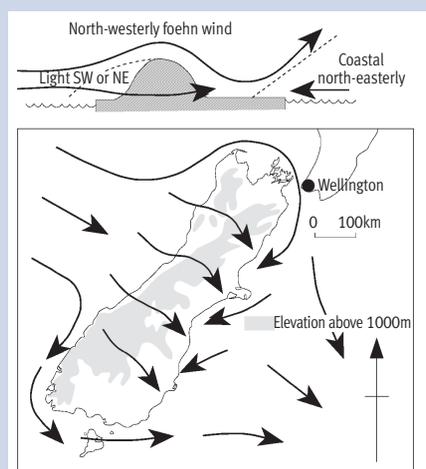
The Dominion Post

Wellington pedestrian Tracy Clough battles to stay on the footpath as gale-force winds hit the capital. The city is probably the windiest capital in the world.

Blown away in Wellington

Wellington is not only the southernmost capital city in the world, it is probably the windiest capital as well. It is certainly the windiest city in New Zealand, edging Invercargill in to second place.

Why? New Zealand sits astride the westerly wind circulation that blows unimpeded around the middle latitudes of the Southern Hemisphere. Unimpeded,



From Sturman and Tapper (1996): *The Weather and Climate of Australia and New Zealand*

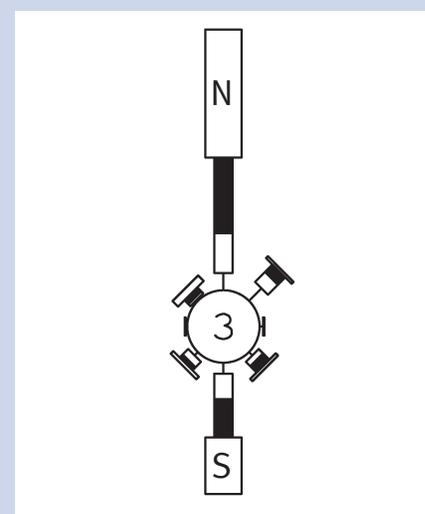
Schematic diagram of wind flow around the South Island.

except for mountain chains like the Southern Alps, which present a formidable barrier to the westerly flow. Since it takes less effort for air to flow around an obstacle than it does to flow over one, the westerlies like blowing around the South Island, through Cook Strait (and Foveaux Strait), as the diagram shows.

Sitting on the edge of Cook Strait, Wellington cops the lot! Winds from the west (the usual situation) funnel through Cook Strait from the north, while winds from the east or south blow through the strait as a southerly. In both cases, the wind usually speeds up as the air squeezes through the gap. This gives Wellington quite a ‘pathological’ wind climate, with almost all winds either a northerly or a southerly (as shown in the wind rose diagram (right)), and a recurring tendency for very windy conditions.

Has it always been windy in Wellington? Yes, as far as we can tell. There have been extended periods in the past where the weather was more settled and Wellington’s winds may have been lighter, but for most of the time New Zealand has been inhabited, Wellington has been a breezy spot.

What of the future? The strength of the wind circulation is driven by the difference in temperature between the tropics and the South Pole, and climate change means that difference is gradually increasing, for now. So, Wellington is set to get a little windier yet. There is relief in sight – give the southern oceans 1,000 years or so to warm up and the temperature difference and the winds will start to ease off. So our distant descendants in the early 3000s might find Wellington to be a balmy seaside resort of gently nodding banana and coconut palms.

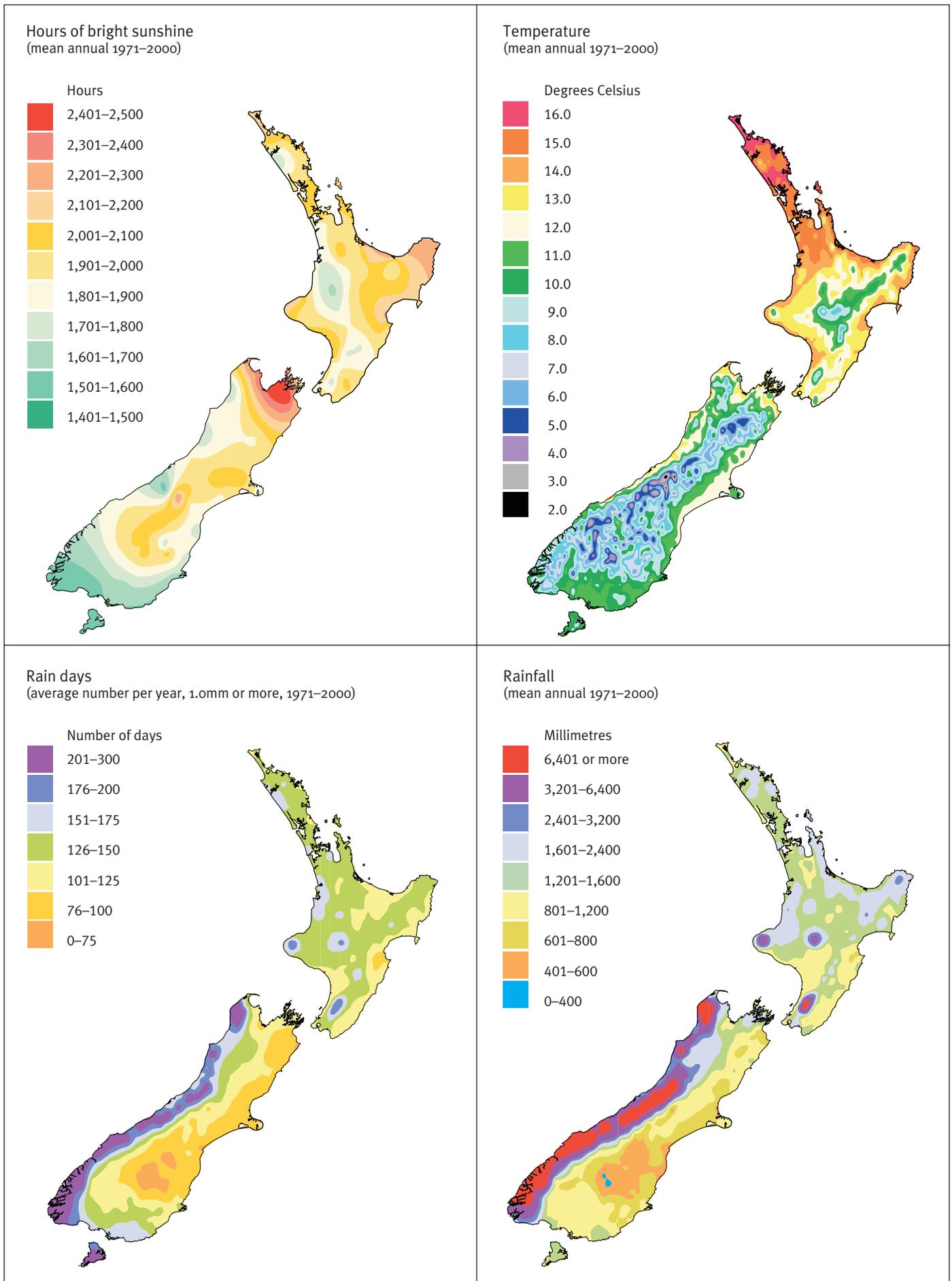


Wind rose for Wellington airport – the orientation of the bars indicates wind direction (upwards northerly, downwards southerly); segments indicate speed. The fine line nearest the centre shows the frequency of winds up to 10km/h, the inner unfilled rectangle the frequency between 11 and 20km/h, the filled rectangle 21–30km/h, and the outer unfilled rectangle wind speeds above 30km/h. The central number is the percentage of times that calm conditions were recorded.

Source: NIWA

Figure 1.01

Climate norms



Source: NIWA

Table 1.08

Projected changes in annual mean temperature and precipitation ⁽ⁱ⁾ Between 1980–99 and 2080–99		
Region	Temperature (°C)	Precipitation (%)
Northland, Auckland	+0.6 to +5.9	-28 to +9
Western North Island from Waikato to Wellington	+0.6 to +5.6	-11 to +15
Eastern North Island from Bay of Plenty to Wairarapa	+0.6 to +5.5	-22 to +11
Nelson, Marlborough, Canterbury plains	+0.6 to +5.1	-14 to +16
Canterbury foothills, West Coast, Otago, Southland	+0.7 to +5.0	-12 to +34

(i) Projected changes encompass the range of results from 12 global climate models for six greenhouse gas emission scenarios.

Source: NIWA

Table 1.09

Summary of New Zealand climate extremes At 9 November 2009			
Rainfall			
Period	Amount (mm)	Location	Date
Highest			
10 minutes	34	Tauranga	17 April 1948
1 hour	109	Leigh	30 May 2001
12 hours	473	Colliers Creek (Hokitika catchment)	22 January 1994
24 hours	682	Colliers Creek (Hokitika catchment)	21–22 January 1994
48 hours	1,049	Waterfall, Cropp River (Hokitika catchment)	12–13 December 1995
1 calendar month	2,927	Waterfall, Cropp River (Hokitika catchment)	December 1995
1 calendar year	16,617	Waterfall, Cropp River (Hokitika catchment)	January–December 1998
365 days	18,442	Waterfall, Cropp River (Hokitika catchment)	29 October 1997– 29 October 1998
Lowest			
3 months	9	Cape Campbell	January–March 2001
6 months	52	Cape Campbell	November 2000–April 2001
12 months	167	Alexandra	November 1963– October 1964
Longest rainless period			
71 days	0	Wai-iti, Marlborough	From 8 Feb 1939
Temperature			
	Temperature (°C)	Location	Date
Highest air temperature			
North Island	39.2	Ruatōria	7 February 1973
South Island	42.4	Rangiora	7 February 1973
Lowest air temperature			
North Island	-13.6	Chateau Tongariro	7 July 1937
South Island	-21.6	Ophir	3 July 1995
Lowest grass minimum	-21.6	Lake Tekapō	4 August 1938
Sunshine			
	Hours	Location	Date
Highest in one year			
North Island	2,588	Napier	1994
South Island	2,711	Nelson	1931
Highest in one month			
North Island	335	Taupō	January 1950
South Island	336	Nelson	December 1934
Lowest in one year			
North Island	1,357	Palmerston North	1992
South Island	1,333	Invercargill	1983
Lowest in one month			
North Island	27	Taumarunui	June 2002
South Island	35	Invercargill	June 1935
Wind gusts			
	Speed (km/h)		Date
North Island	248	Hawkins Hill, Wellington	6 November 1959 and 4 July 1962
South Island	250	Mt John, Canterbury	18 April 1970

Source: NIWA

Climate change

The Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) in 2007 concluded that “warming of the climate system is unequivocal”. Evidence includes increases in global average air and ocean temperatures, widespread melting of snow and ice, and a rising global mean sea level. The 2007 report said it is “very likely” (more than 90 percent likely) that most of the global warming since the mid-20th century is due to rising greenhouse gas concentrations from human activities. This is a stronger conclusion than in 2001 when the IPCC used the word “likely” (more than 66 percent likely).

The Fourth Assessment Report predicted increases in global mean temperatures in the period 1990–2100 of between 1.1 and 6.4 degrees Celsius, and global mean sea-level increases of between 18 and 59 centimetres. This range is due in large part to uncertainty about future greenhouse gas emissions. It said that even if anthropogenic (human activity) greenhouse gas emissions cease entirely, the global average temperature will rise by 0.6°C. Projected sea-level changes do not include the effects of rapid dynamic changes in ice sheet flow from Greenland and Antarctica.

The report said changes could also be expected in some extreme weather and climate events, including “very likely” increases in the frequency of hot extremes, heatwaves, and heavy rainfall. What the warming climate will mean in detail for New Zealand and the South Pacific is still the subject of investigation by scientific researchers.

NIWA produced a report for the Ministry for the Environment in 2008 that updated the New Zealand climate change projections. The report, available on NIWA’s website (www.niwa.co.nz), found that the most vulnerable sectors for New Zealand are natural ecosystems, water security, and coastal communities. The main impacts are:

- Projected climate changes – temperatures in New Zealand are likely to increase faster in the North Island than in the South Island, but generally less than global average temperatures (0.7 to 5.1°C locally, compared with 1.1 to 6.4°C globally, according to NIWA research since *The Fourth Assessment Report*). Annual rainfall is projected to increase in the west of the country and to decrease in many eastern regions. Stronger westerly winds are likely, particularly in the winter and spring seasons.

In the long term, rising seas are expected to increase erosion of vulnerable beaches and breach coastal protection structures more often. By 2050, there is very likely to be increasing loss of high-value land, faster road deterioration, degrading of beaches, and loss of landmarks of cultural significance.

- Primary production – up to about 2050, enhanced growing conditions from higher carbon dioxide concentrations, longer growing seasons, and less frost risk are likely to benefit agriculture, horticulture, and forestry over much of New Zealand, provided adequate water is available. But beyond 2050, agriculture and forestry production is likely to be reduced over parts of eastern New Zealand due to increased drought and fire. The range and incidence of many pests and diseases are likely to increase, and areas suitable for particular crops are projected to change.
- Native ecosystems – the structure, function, and species composition of many natural ecosystems are very likely to change. The impacts of climate change are likely to be significant by 2020, and are virtually certain to exacerbate existing stresses such as invasive species and habitat loss. The projected rate of climate change is very likely to exceed the rate of evolutionary adaptation in many species. The IPCC identified alpine zones in the Southern Alps as a ‘hotspot’ where vulnerability to climate change (eg loss of plant and animal species, glacier shrinkage, reduced snow cover) is likely to be high by 2050.
- Urban environment, transport, and energy – the main threat to the urban environment comes from possible increases in heavy rainfall, which would put pressure on drainage and stormwater systems and increase the risk of flooding in some areas. Warmer conditions would substantially reduce home heating costs, leading to reduced electricity demand during the peak winter season, but possibly increased demand for air conditioning during summer. Wetter conditions on the west coast could eventually increase hydroelectricity production in winter.
- Health – higher temperatures are expected to reduce winter illnesses and lead to higher death rates during summer. Warmer temperatures and increased rainfall variability are likely to increase the intensity and frequency of summertime food-borne and water-borne diseases.

The year’s weather in 2009

New Zealand’s climate for 2009 was characterised by frequent seesaws in temperature. Heat waves occurred in January and the start of February; May was the coldest on record; October had its lowest temperatures since 1945; and August was the warmest August ever. In individual months (especially September and November), daily temperatures frequently broke long-standing records, with extremely cold temperatures often occurring within a week or so of record hot events. Overall, there were two months with above-average temperatures and four with below-average temperatures.

For the year as a whole, temperatures were near average (within 0.5°C of the long-term average) for most of the country, but were between 0.5 and 1.0°C cooler than average in parts of Auckland, Waikato, Manawatu, southern Hawke’s Bay, Wairarapa, Wellington, Marlborough, inland Canterbury, and eastern Otago. The national average temperature for 2009 was 12.3°C, 0.2°C below the long-term normal. The years 2000–09 were a warm decade overall, with a 10-year average temperature of 12.6°C, 0.1°C above the 1971–2000 normal.

Rainfall during the year was below normal (50 to 80 percent of normal) in parts of Auckland, central North Island, northern Hawke’s Bay, southern Wairarapa, North Canterbury, inland South Canterbury, and Central Otago. Other areas received near-normal rainfall.

Nelson was the sunniest centre in 2009, recording 2,571 hours, followed by Tauranga with 2,540 hours, then Blenheim with 2,477 hours.

Of the main centres, Tauranga was the warmest and sunniest, Wellington was the wettest, and Christchurch was the driest.

The broad climate setting changed from La Niña at the start of the year, to moderate El Niño conditions by the spring of 2009.

Notable climate features of 2009 (in various parts of the country) included the record warmth of January, the heatwaves of early February, and the record cold and extreme wet of May. At the end of June, Gisborne declared a state of emergency due to flooding. An unusually icy, snowy period prevailed throughout June and July, followed by the record warmth of August, which contributed to a severe avalanche season. Unseasonable snowfalls then characterised the coldest October in 64 years. An extremely windy and dry November and December followed, resulting in significant soil moisture deficits in Northland, central North Island, Canterbury, and Otago.

Wildlife and vegetation

The islands of New Zealand separated from their nearest neighbours more than 60 million years ago. They stretch along 24 degrees of latitude from the subtropical to the subantarctic, making New Zealand a slender archipelago with an extraordinary natural heritage, born from its biological and geological isolation.

Some of the original inhabitants endured times of turbulent change and violent upheaval, evolving and adapting to become part of a unique natural biota (animal and plant life of a region). Other species died out (either nationally or regionally), unable to compete or survive environmental disturbances such as ice ages. For example, coconut palms were once found in New Zealand, and kauri, now mainly confined to the north of the North Island, used to grow as far south as Canterbury.

Over the years, the earliest inhabitants were joined by other plants and animals carried across the oceans by wind and current.

Fauna

The pre-human environment was notable for the absence of snakes, land mammals (apart from three species of bat), and many of the flowering plant families. Whole groups of species were found only in New Zealand, including tuatara, moa, and kiwi, all of the native lizards and frogs, and nearly 200 species of native earthworms.

Many remarkable plants, insects, and birds evolved to fill ecological niches normally occupied by mammals. Others diversified to fill new territories created by sea-level fluctuations and land uplift.

With no mammalian predators on the ground, but avian predators everywhere, flightlessness was not a handicap, nor was size. Moa (up to 11 species, some up to three metres tall) became extinct in pre-European times, but many other flightless birds still remain, including kiwi, the nocturnal kākāpō (the only flightless parrot in the world), and weka (of the rail family).

Image removed due to copyright issues

The New Zealand Herald

A hungry pūkeko chick at Lake Rotoroa in Hamilton races towards a food-bearing adult.

Image removed due to copyright issues

Otago Daily Times

Department of Conservation worker Mel Young prepares to release a juvenile yellow-eyed penguin on the Otago peninsula. The bird had been nursed back to health in Wellington, where it was found wounded and distressed.

Flightless insects are numerous, including many large beetles and 70 or so species of the big cricket-like insects called weta.

New Zealand, with 84 breeding species, has the most diverse seabird fauna of any country. Nearly half of all native bird species depend on the ocean for food – the feeding zones of some extending as far south as the Antarctic continent. New Zealand's extensive coastline and many islands offer a huge range of habitat, from estuaries and mud-flats, to rocky cliffs and boulder banks.

Flora

The most widespread and complex type of forest in New Zealand is a podocarp (conifer) broadleaf association. It is generally found at lower altitudes and is characterised by a variety of species, a stratified canopy, and an abundance of vines and epiphytic plants.

Beech and kauri forests, by contrast, are much simpler in structure. New Zealand's beech species have close relatives in Australia and South America, and the five different types of species in New Zealand have exploited habitats from valley floor to mountain tops. Kauri, true forest giants, dominate only in the warmer climes to the north.

Some of the most specialised plants are those occupying the alpine zone. A remarkable 25 percent of all New Zealand's plants can be found above the treeline. Snow tussock herbfields are one of the most distinctive elements in this cold, windswept environment. Remarkably long-lived, some larger specimens may be several centuries old. Like beech trees, they seed infrequently, but in profusion.

A definitive feature of New Zealand's land-based plants and animals is their degree of specialisation and narrow habitat requirements (eg takahē – tussock grasslands; blue duck – fast flowing rivers and streams), and their evolution in the absence of mammalian predators (for birds) or browsers (for plants). This specialisation, and adaptations which make New Zealand's wildlife so unique, render them extremely vulnerable to introduced predators, such as rodents, mustelids (particularly stoats), cats and dogs; competitors, such as deer and possums; and loss of habitat.

Marine flora and fauna

The ocean is marvellously rich. There are well over 1,200 different species of fish in the waters around New Zealand, and as many as 15 more are discovered every year as a result of research in previously unsampled areas. There are also various species of seals, dolphins, and porpoises. More than 30 species of whale have been recorded, and three of the largest (sperm, humpback, and right) regularly migrate to New Zealand waters in spring and autumn.

New Zealand has a unique and particularly rich marine flora and fauna. There are an estimated 65,000 known and unknown species, and the level of endemism – species not occurring elsewhere – is particularly high at 44 percent, making the New Zealand marine region an international hotspot of marine diversity.

The New Zealand marine environment encompasses a range of conditions, from estuaries to deep sea trenches at depths of 10,000 metres or more. It ranges from the subtropical Kermadec Islands to Campbell Island in the subantarctic region. It includes an immense diversity of ecosystems including coastal saltmarshes, mangroves, kelp forests, sponge gardens or shellfish beds,

subtropical plate corals, and temperate rocky reefs. The long coastline is also characterised by a wide variety of habitats including sandy, gravel and boulder beaches, fiords, harbours, large bays, cliffs, and rocky shores.

The Southern and Pacific oceans meet at the subtropical convergence zone. This convergence heavily influences weather patterns and the marine environment. Along with New Zealand's geographic isolation and exposure to a wide variety of physical conditions, climatic conditions have promoted a wide range of biodiversity but have also generated some species endemism.

Many species live in or are dependent on the marine environment. For example, more than 1,200 species of fish are found within the exclusive economic zone (EEZ). Large numbers of seabirds breed on the myriad of islands found in New Zealand waters. Marine mammals range widely throughout this environment, with coastal waters inhabited by the endemic Hector's and Maui's dolphins, and the New Zealand sea lion, one of the rarest in the world, breeding on the subantarctic Auckland Islands.

New Zealand has a coastline of more than 18,000 kilometres and jurisdiction over a marine area that covers more than 5.7 million square kilometres extending over subtropical, temperate, and subantarctic regions.

Sources vary significantly on the size of New Zealand's total marine jurisdiction, depending on which projection was used to calculate the area and what areas are included in the calculation.

The Territorial Sea and Exclusive Economic Zone Act 1977 defines the territorial sea and EEZ. The baseline from which the breadth of the New Zealand territorial sea and EEZ is measured is the low-water line around the coast of New Zealand and off-lying islands, and straight baselines across the natural entrance points of bays (not exceeding 24 nautical miles), estuaries, and inlets to join points on the low-water line.

The total surface area of New Zealand's territorial sea and EEZ is 412,833,059 hectares (calculated in New Zealand Transverse Mercator 2000, in November 2007). This figure does not include the territorial sea and EEZs of other territories in the Realm of New Zealand (Tokelau, Niue, the Cook Islands, and the Ross Dependency) nor the area of extended continental shelf beyond New Zealand's 200-nautical-mile EEZ as defined by the United Nations Commission on the Limits of the Continental Shelf (approximately 1.7 million square kilometres of seabed). The extended continental shelf is the area of seabed outside New Zealand's existing 200 nautical mile EEZ. The area confirmed by the UN Commission is more than six times the size of New Zealand's land area. A continental shelf boundary was agreed with Australia in July 2004 and the boundary is still to be negotiated with Fiji and Tonga.

Introduced vegetation and wildlife

The arrival of people in New Zealand heralded times of rapid change. Introduction of exotic plants and animals (intentionally or accidentally) and modification of habitat radically affected native species' populations.

Image removed due to copyright issues

Daylight saving period

Daylight saving provides an extra hour of sunlight in the evenings during the summer period.

One hour of daylight saving was introduced in 1927, reducing to a half-hour the following year. During World War II, emergency regulations extended this to cover the whole year, and the Standard Time Act 1945 made this additional half-hour a permanent fixture.

When next introduced in 1974, daylight saving started on the last Sunday in October and ended on the first Sunday in March. The period was extended by five weeks in 1990, to start on the first Sunday in October and finish on the third Sunday in March.

In 2007, the daylight saving period was further extended to start on the last Sunday in September, and finish on the first Sunday in April.

In 2008 the Department of Internal Affairs undertook a public attitude survey on daylight saving and the impact of the extension. The survey found strong support for daylight saving (90 percent approving and 6 percent disapproving, with the rest not expressing an opinion or being neutral) and the extension (82 percent approving and 11 percent disapproving, again the rest not expressing an opinion or being neutral).

The survey results and the margins of error can be found on the department's website (www.dia.govt.nz).

Source: Department of Internal Affairs

The New Zealand Herald

Department of Conservation workers and Project Jonah volunteers keep a stranded orca wet on Papamoa Beach in the Bay of Plenty. There are probably three resident populations of orca in different parts of New Zealand's waters. They move around in pods of two to four and are often seen in the Bay of Plenty, East Cape, and Hawke's Bay regions in June, and again from October to December.

In the pre-1800 period, following the arrival and expansion of Māori, forest cover was reduced and more than 40 species of birds became extinct, including the moa, adzebill, and the flightless goose.

In the much shorter post-1800 period of European settlement, the forest area was further reduced, to around 25 percent of the land. Sixteen more bird species became extinct, and many more were threatened.

Since 1840, more than 80 new species of mammals, birds, and fish, and more than 2,800 plant species have been introduced, in many places totally changing the landscape and ecology.

Time zone

One uniform time is kept throughout mainland New Zealand. This time is 12 hours ahead of Coordinated Universal Time and is called New Zealand Standard Time (NZST). It is an atomic standard maintained by the Measurement Standards Laboratory, part of Industrial Research Ltd, in Lower Hutt.

In November 1868, New Zealand became one of the first countries in the world to adopt standard time – 11.5 hours ahead of Greenwich Mean Time (GMT). In 1941, as a wartime measure, clocks were advanced half an hour and this was made permanent in 1946 by the Standard Time Act, 1945, which set time at 12 hours ahead of GMT or Universal Time. A new time scale based on the readings of atomic clocks, known as Coordinated Universal Time (UTC), was adopted internationally in 1972.

NZST is currently defined in the Time Act 1974 as meaning 12 hours in advance of UTC, with the time for the Chatham Islands set 45 minutes in advance of NZST.

One hour of daylight saving, called New Zealand Daylight Time (NZDT), which is 13 hours ahead of UTC, is observed during the summer months. Chatham Islands time is always 45 minutes ahead of that kept in New Zealand. NZDT begins on the last Sunday in September and ends on the first Sunday in April.

Contributors and related websites

Auckland Regional Council – www.arc.govt.nz

Department of Conservation – www.doc.govt.nz

Department of Internal Affairs – www.dia.govt.nz

GeoNet – www.geonet.org.nz

GNS Science – www.gns.cri.nz

Industrial Research Ltd – www.irl.cri.nz

Land Information New Zealand – www.linz.govt.nz

Metservice – www.metservice.co.nz

New Zealand Speleological Society – www.caves.org.nz

National Institute of Water and Atmospheric Research – www.niwa.co.nz

Image removed due to copyright issues

1/2-061218-F Alexander Turnbull Library

Soldiers departing for World War II (detail from original photograph). In September 1939, New Zealand, along with the other Commonwealth nations, declared war on Germany. By the war's end in 1945, 194,000 New Zealand men and 10,000 women had served in the armed forces at home and overseas, 11,928 of whom lost their lives.

2 | History

A brief history of New Zealand

Discovery and migration

New Zealand has a shorter human history than any other country. The precise date of settlement is a matter of debate, but current understanding is that the first arrivals came from east Polynesia in the 13th century. It was not until 1642 that Europeans became aware the country existed.

The original Polynesian settlers discovered the country on deliberate voyages of exploration, navigating by ocean currents, winds, and stars. The navigator credited in some traditions with discovering New Zealand is Kupe. Some time later, the first small groups arrived from Polynesia. Now known as Māori, these tribes did not identify themselves by a collective name until the arrival of Europeans when, to mark their distinction, the name Māori, meaning 'ordinary', came into use.

The early settlers lived in small hunting bands. Seals and the large flightless moa bird were their main prey, until moa were hunted to extinction.

In the South Island, hunting and gathering remained the main mode of survival, but the kūmara (sweet potato) and yams the Polynesians brought with them grew well in the warmer North Island. Extensive kūmara gardens supported relatively large settlements. But even in the north, birds, fish, and shellfish were important in the Māori diet. In some northern areas, larger populations put pressure on resources. The Polynesian dog and rat came with the early arrivals, but the domestic pigs and chickens of the islands did not, for reasons not fully understood.

In favourable conditions, Māori lived reasonably well. Their life expectancy was low by modern standards, but probably comparable with that of Europeans in the same era. The Māori population before European contact may have reached 100,000.

Māori passed on rich and detailed history and legends orally. Society was organised around groups that traced their descent from common ancestors. Reciting whakapapa (genealogies) was an important way to communicate knowledge. The concepts of mana (status) and utu (reciprocity) were central to the culture, and led to widespread warfare. But the violence was usually episodic. For most of the time, Māori lived not in fortified pā, but in unprotected settlements or seasonal camps.

The greatest achievements of Māori material culture were carving wood for important buildings and canoes, and fashioning stone into tools and ornaments. Warfare did not inhibit regular trade in desirable stones and foods, and was itself a means by which resources were appropriated.

Image removed due to copyright issues

B-052-003 Alexander Turnbull Library

French sailors from Dumont d'Urville's ship the Astrolabe relax in Tasman Bay (now Watering Bay, on the Abel Tasman track). This lithograph was based on an 1827 painting by Louis Auguste de Sainson. D'Urville's voyage was the last of a number by French explorers to New Zealand in the late 18th and early 19th centuries.

European discovery

In 1642, Dutch explorer Abel Tasman made the first confirmed European discovery of New Zealand. He charted the country's west coast from about Hokitika up to Cape Maria van Diemen. Subsequently, a Dutch map maker gave the name Nieuw Zeeland to the land Tasman had discovered. A surprisingly long time (127 years) passed before another European reached New Zealand.

James Cook visited New Zealand in 1769, on the first of three voyages. He circumnavigated and mapped both main islands and returned to Britain with reports about the country's inhabitants and resources.

For 50 years after Sydney was founded in 1788, New Zealand was an economic and cultural outpost of New South Wales, and most of the earliest European settlers came from Sydney. In the late 18th century, sealers and whalers began visiting, and by the early 19th century some began to settle, some to farm. During these years, New Zealand was part of a Pacific-wide trade system and New Zealand goods were sold in China.

The first European 'town' grew at Kororāreka (today known as Russell) when whalers began calling into the Bay of Islands for food and water. From the 1790s, Māori produced pork and potatoes for this trade. The other main area of early interaction between Māori and others was the Foveaux Strait sealing grounds. The presence of traders drew Māori to particular locations. Having a European living among them gave some tribal groups an advantage in the race to acquire European goods, especially firearms.

A Sydney chaplain, Samuel Marsden, founded the first Christian mission station in the Bay of Islands in 1814. By 1840, more than 20 stations had been established. From missionaries, Māori learnt not just about Christianity, but also about European farming techniques and trades, and how to read and write. The missionaries also transcribed the Māori language into written form. In the 1830s, French missionaries brought Catholicism to Māori.

Christianity would become important for Māori, but they were slow to convert. Muskets, traded for flax and potatoes, had a greater impact in the 1820s and 1830s than religion, and escalated killings in tribal conflicts. The Ngā Puhi tribe, led by Hongi Hika, devastated southerly tribes, and Ngāti Toa, under Te Rauparaha, attacked Ngāi Tahu in the South Island. But diseases introduced by Europeans caused more fatalities than firearms did.

British sovereignty

In the 1830s, the British Government came under increasing pressure to curb lawlessness in New Zealand to protect British traders, and to forestall the French, who also had imperial ambitions. The missionaries, for their part, wanted to protect Māori from the effects of European settlement.

In 1833, James Busby was sent to the Bay of Islands as British Resident. At Busby's instigation, northern chiefs adopted a flag in 1834 and signed a declaration of independence in 1835. Seven years after Busby's arrival, at Waitangi on 6 February 1840, William Hobson, New Zealand's first governor, invited assembled Māori chiefs to sign a treaty with the British Crown. The treaty

was taken all round the country, as far south as Foveaux Strait, for signing by local chiefs, and eventually more than 500 signed.

Under the Treaty of Waitangi, Māori ceded powers of government to Britain in return for the rights of British subjects and guaranteed possession of their lands and other 'treasures'. In later years, differences of interpretation between the English and Māori texts complicated efforts to redress breaches of the treaty.

British sovereignty was proclaimed over New Zealand on the basis of Māori consent, though the South Island was initially claimed on the basis of discovery.

In the 19th century, the British and the French were rivals in the Pacific. The French had only minor interests in New Zealand, but the myth persists that the South Island escaped being French only because in the scramble to colonise Akaroa the British got there first. By the time the French settlers and their naval escort reached New Zealand, the whole country was securely British. Governor Hobson, learning the French were heading for Akaroa, did send Captain Stanley of the *Britomart* to demonstrate British sovereignty. However, there was never any chance Cook Strait would become, like the English Channel, a passage between English and French-speaking regions.

Even before the Treaty of Waitangi had been signed, the New Zealand Company, inspired by the colonial promoter Edward Gibbon Wakefield, had despatched British settlers to Wellington. In the next two years, the company also founded Wanganui, Nelson, and New Plymouth. Otago was founded in 1848 and Canterbury in 1850, both by New Zealand Company affiliates. Auckland, capital of the new Crown colony, grew independently.

By the 1850s, most of the interior of the North Island had been explored by Europeans. Māori guides usually showed European explorers the way and New Zealand's first Anglican bishop,

Image removed due to copyright issues

C-025-014 Alexander Turnbull Library

Charles Heaphy, who was employed as an artist and draughtsman by the first New Zealand Company, arrived in what was to become known as Wellington in 1839. This painting, entitled Kauri forest, Wairoa River, Kaipara was painted when he visited Northland that same year.

George Selwyn, travelled widely. Much of the mountainous interior of the South Island was not explored until goldminers arrived in the 1860s.

When British settlers sought self-government, the British Parliament passed the New Zealand Constitution Act of 1852, setting up a central government with an elected House of Representatives and six provincial governments. The settlers soon won the right to responsible government (with an executive supported by a majority in the elected assembly). But the governor, and through him the Colonial Office in London, retained control of 'native' policy.

War, expansion, depression

In the 1840s, there were clashes between Māori and Pākehā (Europeans). In Marlborough's Wairau Valley in 1843, a dispute over land erupted, leading to bloodshed. The war in the north (1845–46) began when Hone Heke cut down the flagpole flying the British flag at Russell. There were also troubles in the 1840s over land in Wellington and Wanganui. In the 1850s, disputes between Māori over the sale of land to Europeans kept Taranaki in ferment.

Until the late 1850s, the government managed to purchase enough land to meet settler demands. But many Māori became increasingly reluctant to sell their land, which tribes owned collectively. The Māori King movement, under the leadership of Wiremu Tamihana, grew in part out of Māori resistance to land sales. Pōtatau Te Wherowhero was elected the first Māori King in 1858. The flashpoint was Taranaki. The refusal of Wiremu Kingi Te Rangitake to sell land at Waitara led to war in 1860. The efforts of Māori to retain their land were depicted by the settlers as a challenge to British sovereignty.

Māori resistance was effectively crushed after Governor George Grey took war to the Waikato in 1863–64. Two chiefs, Te Kooti and Titokowaru, prolonged war through the 1860s, but by 1872 the wars over land had ended. Large areas of land were confiscated from 'rebellious' tribes. A Native Land Court gave land titles to individual Māori, to facilitate sales to Pākehā.

After the wars, many Māori drew back from contact with European settlers. Most lived in isolated rural communities. Māori land continued to pass into Pākehā hands, usually by sale through the Native Land Court. In the 1870s, the village of Parihaka became the centre of a peaceful protest, led by the prophet Te Whiti-o-Rongomai, against occupation of confiscated land in Taranaki. In 1881, government forces invaded Parihaka in an attempt to crush this resistance.

While progress in the North Island was held back by war, the South Island forged ahead on the proceeds of wool and gold. Sheep were turned loose on South Island grasslands, and after gold had been discovered in Otago in 1861, and then on the West Coast, settlers flooded in. Six years later, the discovery of gold at Thames boosted the town of Auckland. Wool ensured that Canterbury became the wealthiest province, and gold made Dunedin the largest town.

Towards the end of the 1860s, gold production fell and wool prices slipped. A new boost to growth came in 1870 when Colonial Treasurer Julius Vogel proposed a loans-funded programme of public works, including the building of railways, and assisted immigration.

The population increased dramatically. The 1871 Census (non-Māori) recorded a total of about 250,000; 10 years later this had grown to half a million. Vogel's policies, like those of Wakefield before him, were based on a belief that New Zealand would grow only if people and capital could be attracted. This stimulated a sense of a single nation rather than separate settlements, and led to the abolition of the provinces in 1876.

Image removed due to copyright issues

PA1-0-405-29 Alexander Turnbull Library

Unidentified Māori group at Parihaka Pa, Taranaki, around the 1880s. From the mid-1860s, Parihaka became the centre of a peaceful resistance movement, developed under leader Te Whiti-o-Rongomai, to demonstrate Māori opposition to their land being confiscated for European settlement.

The aftermath of Vogel's borrowing was an economic depression that lasted into the 1890s. Despite a brief boom in wheat, prices for farm products sagged and the market for land became depressed. Hard times led to urban unemployment and sweated labour in industry. The country lost people through emigration, mostly to Australia.

Scarcely had depression gripped the country than future prosperity was anticipated with the first successful shipment of frozen meat to England in 1882. Exporting meat (frozen), and butter and cheese (chilled), became possible. After dealing with initial setbacks in refrigerated shipping, New Zealand became a British farm. With an economy based on agriculture, the landscape was transformed from forest to farmland.

Liberal to Labour

The watershed election of 1890 put the Liberals, New Zealand's first 'modern' political party, into power. From 1893 to 1906, the government was headed by 'King Dick' Seddon. The Liberals cemented in place New Zealand's 'family farm' economy by subdividing large estates, buying Māori land in the North Island, and offering advances to settlers. Buoyant markets for New Zealand's farm products ensured the success of these policies. The Minister of Lands, John McKenzie, championed the family farm. Farming progressed, especially in the north, and by 1901, more than half the European population was living north of Cook Strait for the first time since the 1850s.

The Liberal Government reinforced an established pattern of State involvement in the economy and regulation of society. Its old-age pensions and workers' dwellings anticipated the welfare state. In 1893, after campaigns led by women like suffragist Kate Sheppard, New Zealand became the first country in the world to give women the vote.

New Zealand's close economic ties with Britain reinforced the loyalty of New Zealanders to an empire that secured their place in the world. The loyalty found expression in the despatch of troops to fight for Britain in South Africa in 1899. A self-confident nationalism was also evident, and New Zealand declined to join the Australian Federation of 1901.

Liberal rule ended in 1912, when William Massey led the Reform Party to power, promising State leaseholders they could freehold their land.

When World War I broke out, New Zealand rallied to England's aid. Thousands of New Zealanders served, and died, overseas. The 1915 landing at Gallipoli in Turkey was a coming of age for the country and established the potent tradition of Anzac (Australian and New Zealand Army Corps) – a pride in New Zealand's military achievement and its special relationship with Australia. New Zealand troops also fought and died on the Western Front in Europe.

After some prosperous years in the later 1920s, the worldwide Great Depression hit New Zealand hard. Export prices collapsed. Farmers faced difficulties over their mortgages and urban unemployment soared. Discontent erupted in riots. A coalition government, dominated by Gordon Coates, failed to lift the country out of depression.

Organised labour flexed its muscle in the 1890 maritime strike, and in the Waihi and watersider strikes of 1912–13. Setbacks on the industrial front turned the labour movement towards political action. The Labour Party, founded in 1916, made uneven gains through the 1920s, then was swept into power under Michael Joseph Savage in 1935 by an electorate disillusioned with how the conservative coalition government had handled the depression. When Savage died in 1940, Peter Fraser became prime minister.

In power, the Labour Party, aided by an economic recovery already under way when it was elected, revived the economy further by pragmatic rather than doctrinaire socialist policies. The Reserve Bank of New Zealand was taken over by the State in 1936, spending on public works increased, and a State housing programme began. The Social Security Act 1938 dramatically extended the welfare state.

With the outbreak of World War II, New Zealand troops again fought overseas in support of the United Kingdom. The fall of Singapore shook New Zealanders' confidence that Britain could guarantee the country's security. During the war in the Pacific, the United States protected New Zealand against Japan. Labour remained in power through World War II, and in 1945 Peter Fraser played a significant role in the conference that set up the United Nations. But the party had lost the reforming zeal of the previous decade and its electoral support ebbed after the war.

In the early 1950s, New Zealand troops fought in Korea. Later, in the 1960s, concern to keep on side with the United States and Australia prompted the National Government of Keith Holyoake to send troops to Viet Nam, despite popular protests.

The later 20th century

After Labour lost power in 1949, the conservative National Party ruled the country until 1984, interrupted by two single-term Labour governments, in 1957–60 and 1972–75. National Party Prime Minister Sidney Holland used the bitter 1951 waterfront strike to consolidate his power by calling a snap election.

New immigrants, still mainly British, flooded in while New Zealand remained prosperous by exporting farm products to Britain. The country's culture remained based on Britain's. In 1953, New Zealanders took pride that countryman Edmund Hillary gave Queen Elizabeth II a coronation gift by reaching the summit of Mt Everest.

Image removed due to copyright issues

Eph-A-ALCOHOL-Hours-1948-01
Alexander Turnbull Library

Leaflet published in 1948 by the New Zealand Alliance for the Abolition of the Liquor Traffic. Introduced as a temporary wartime measure in 1917, the 6pm closing time for pubs was mandatory until 1967.

Britain joined the European Economic Community in 1973. New Zealand had already diversified its export trade, but the loss of an assured market for farm products was a blow.

The first oil shock of 1973 contributed to the fall of the Labour Government in 1975, led by Norman Kirk until his death. After the second oil shock of 1978, the National Government of Robert Muldoon tried to keep New Zealand prosperous by so-called 'think big' industrial and energy projects, and farm subsidies. The economy faltered as falling oil prices in the early 1980s made these schemes unsound. Inflation and unemployment mounted.

The fourth Labour Government was elected in 1984. The Minister of Finance, Roger Douglas, was an ardent advocate of economic liberalisation. He removed most controls over the economy, privatised many State enterprises, and called aspects of the welfare state into question. Many saw these measures as an assault on New Zealand's egalitarian traditions. In foreign affairs, Labour's anti-nuclear policy ruptured relations with the United States.

The National Government of 1990–99 pursued similar policies to Labour's, passing the controversial Employment Contracts Act 1991, which opened up the labour market and diminished the power of trade unions. The Government also mounted a more sustained attack on the welfare state, most obviously by cutting benefits.

From 1996, under a new voting system (mixed member proportional representation), minority or coalition governments became the norm but National and Labour remained the major parties.

Māori in the 20th century

Most Māori continued to live in remote rural communities until World War II. But Māori society was dynamic. The Kotahitanga movement of the late 19th and early 20th centuries was evidence of Māori resilience. So were the land development work of Āpirana Ngata and the revitalisation of the Māori King movement by Te Puea Hērangi. In the early 1920s, Wiremu Ratana founded the Ratana Church.

Post-World War II Māori migration into the cities, together with Māori anger at their economic deprivation and concern about loss of mana (status) and continuing loss of land, pushed race relations and the place of the Treaty of Waitangi into the forefront of national life.

For many, sporting contacts with racially divided South Africa became a touchstone of race relations. During the 1981 Springbok rugby tour, New Zealand experienced divisive unrest. After the tour, attention turned to domestic race relations and to the need for New Zealanders to have a better understanding of the Treaty of Waitangi.

Māori became more assertive. Some, alleging breaches of the Treaty of Waitangi, wished to reclaim Māori sovereignty. The Waitangi Tribunal was set up in 1975 to consider their claims and to address grievances. In 1985, the tribunal was empowered to look at breaches of the treaty since 1840, rather than since 1975.

A Māori cultural renaissance, including efforts to foster the Māori language in the early 1980s, increased awareness that New Zealand society was bicultural. At the same time, more immigrants were arriving. Almost before it had been properly acknowledged that New Zealand was bicultural, it became multicultural – first in the composition of its population, more slowly in how it ran its national life. The country's new Pacific island and Asian citizens were testament to the fact that it was no longer, culturally or economically, the offshore island of Europe it had seemed to earlier generations.

Image removed due to copyright issues

The Dominion Post

Protesters' flags on the Waitangi treaty grounds in 2008. The tino rangatiratanga flag (front), which was anointed as the official Māori flag by Prime Minister John Key in December 2009, was flown for the first time in 2010 outside government buildings across the country. The koru shape represents the unfolding of new life, rebirth, continuity, renewal, and hope.

Chronology of New Zealand events

- c1300** Archaeological evidence indicates Polynesian settlement of New Zealand established by this date.
- 1642** Dutch explorer Abel Janszoon Tasman discovers a land he calls Staten Landt, later named Nieuw Zeeland.
- 1769** British explorer James Cook makes first of three visits to New Zealand, taking possession of the country in the name of King George III.
- 1790s** Sealing, deep-sea whaling, flax, and timber trading begins, with some small temporary settlements. First severe introduced epidemic among Māori population.
- 1791** First visit by a whaling vessel, the *William and Ann*, to Doubtless Bay.
- 1806** First Pākehā (European) women arrive in New Zealand.
- 1814** British missionary Samuel Marsden makes first visit to New Zealand. Anglican mission station established. Sheep, cattle, horses, and poultry introduced.
- 1815** First Pākehā child, Thomas Holloway King, born in New Zealand.
- 1819** Raids on Taranaki and Te Whanganui-a-Tara regions by Ngā Puhi and Ngāti Toa people led by chiefs Patuone, Nene, Moetara, Tuwhare, and Te Rauparaha.
- 1820** Ngā Puhi chief Hongi Hika visits England, meets King George IV, and secures supply of muskets.
- 1821** Musket wars begin with raids by Hongi Hika and Te Morenga on southern iwi (tribes) and continue throughout the decade.
- 1822** Ngāti Toa migration south to Cook Strait region, led by Te Rauparaha, begins.
- 1823** Wesleyan Missionary Society mission established. First Church of England marriage between Pākehā and Māori – Phillip Tapsell and Maria Ringa.
- 1824** Te Heke Niho-Putā migration of Taranaki iwi to the Kapiti Coast. Rawiri Taiwhanga in Bay of Islands sells dairy produce and other food supplies to visiting ships.
- 1827** Te Rauparaha's invasion of the South Island begins from Kapiti.
- 1829** Whaling stations established at Tory Channel and Preservation Inlet.
- 1833** James Busby arrives in the Bay of Islands to take up appointment as British Resident in New Zealand.
- 1834** United Tribes' flag adopted by 25 northern chiefs at Busby's suggestion.
- 1835** Declaration of Independence by the 'United Tribes of New Zealand' signed by 34 northern chiefs.
- 1837** New Zealand Association formed in London, becoming the New Zealand Colonisation Society in 1838 and the New Zealand Company in 1839, under the inspiration of Edward Gibbon Wakefield. William Colenso completes printing the New Testament in Māori, the first book printed in New Zealand.
- 1838** Bishop Pompallier founds Roman Catholic mission at Hokianga.
- 1839** William Hobson instructed to establish British rule in New Zealand, as a dependency of New South Wales. Colonel William Wakefield, of the New Zealand Company, arrives on the *Tory* to purchase land for settlement.
- 1840** Treaty of Waitangi signed at Bay of Islands and later around most of the country. British sovereignty proclaimed. Hobson becomes first governor and sets up executive and legislative councils. New Zealand Company settlers arrive at Port Nicholson, Wellington. French settlers land at Akaroa. Local Māori initially provide food for these and later settlements.
- 1841** European settlements established at New Plymouth and Wanganui. Capital shifts from Russell to Auckland.
- 1842** Main body of settlers arrive at Nelson.
- 1843** Twenty-two European settlers and four Māori killed at a confrontation at Tua Marina, near Wairau, in Marlborough. Robert FitzRoy becomes governor.
- 1844** New Zealand Company suspends colonising operations due to financial difficulties.

The Chinese people in New Zealand

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1/2-019695-F Alexander Turnbull Library

Chinese goldminer with cradle, Otago, around 1900.

The Chinese were the first significant non-European immigrants to New Zealand. The earliest settler from China was Appo Hocton who came to Nelson as a steward on an immigrant ship in October 1842. He is said to have lived to 100 years of age on the family farm at Dovedale, near Motueka.

The main influx of Chinese people came in the late 1860s. As white miners left the Otago goldfields for newer fields on the West Coast in 1866, the Dunedin Chamber of Commerce deliberately recruited Chinese miners to keep the goldfields productive. By 1869, more than 2,000 had been attracted to the country they called the 'New Gold Mountain'.

Most of the newcomers came from areas around Canton (modern Guangzhou), and nearly all were men. Many of them were married but they left their wives at home while they searched for wealth in the hard country of Central Otago. By 1881 there were 4,995 Chinese men in New Zealand, and only nine women.

In 1881 conditions for the Chinese worsened. Anti-Asian prejudice began to emerge in the colony and a poll tax was imposed that required each incoming Chinese person to pay £10. Fifteen years later, in 1896, this was raised to £100, meaning it was virtually impossible for Chinese men to bring their wives out to join them. (In 2002 the New Zealand Government formally apologised to the Chinese community for the suffering caused by this tax.) Further restrictions followed as

a result of the growing prejudice and from 1908 Chinese people were unable to become naturalised in New Zealand. In 1905 an elderly Chinese man, Joe Kum Young, was deliberately murdered by Lionel Terry to draw attention to the 'yellow peril'.

As the goldfields became unproductive, Chinese people drifted to the cities where they found work in fruit shops and laundries. They also took up market gardening in small towns like Ōtaki and Ōhakune.

Attitudes in New Zealand began to change with China's participation in the battle against Japan in World War II. Wives and children of Chinese men were allowed temporary entry in 1939 and then permanent residence in 1947. The poll tax was repealed in 1944 and Chinese people could become naturalised from 1952. The small community began to prosper, with some offspring entering the professions.

From the mid-1980s a new migration of Chinese immigrants began – one very different from the 19th-century arrivals. The newcomers were generally well-educated people with professional and business skills. They came from many parts of Asia – not only mainland China but also Taiwan, Hong Kong, Singapore, and Malaysia. By 2006 more than 140,000 residents of New Zealand identified as Chinese. With them came their foods and traditions such as the Chinese New Year, and they began to become prominent as lawyers, politicians, artists, and writers.

Source: *Te Ara – The Encyclopedia of New Zealand*

Te Ara – encyclopedia on the web

Te Ara – The Encyclopedia of New Zealand, the first national encyclopedia in the world designed for the World Wide Web, was launched by Prime Minister Helen Clark in February 2005. When completed, *Te Ara* (the pathway) will provide a comprehensive introduction to New Zealand – its people, its natural environment, its history, and its culture and society.

Te Ara is a multi-media experience drawing on photographs, cartoons, sounds, television footage, films, and maps to display the cultural richness of New Zealand.

The encyclopedia is being prepared in stages. The first theme, launched in 2005, was 'the New Zealanders'. This includes entries on all those peoples who settled New Zealand – from English, Scots, and Irish, to Dalmatians, Samoans, and Chinese. It also has an introduction to the country's major Māori tribes, and an entry on the evolution of New Zealanders as a people. All entries on the tribes of New Zealand are available in both the Māori language and English.

The second theme, 'Earth, Sea and Sky', went live in June 2006. This covers the shaping forces of New Zealand – the climate, the seas around New Zealand, and the huge geological forces which through earthquakes and volcanoes have carved the landscapes.

The third theme, 'The Bush', appeared in September 2007, focusing on the indigenous flora and fauna of New Zealand – birds, insects, plants, and fish. The fourth theme 'The Settled Landscape', which went live in October 2008, looks at farming life and the introduction of exotic species to New Zealand. 'Economy and the City' was launched in March 2010.

Since December 2005 *Te Ara* has launched 15 of 22 guides to different regions of New Zealand, which are found in the 'Places' theme.

Te Ara also includes a complete digitised version of the official 1966 *Encyclopaedia of New Zealand* and eight brief entries providing an overview of New Zealand. The entries link to individual biographies in the prize-winning *Dictionary of New Zealand Biography*.

Te Ara is designed to appeal to people of all ages and interests – with a short story on each entry for primary school children, through to original documents and links to additional sources for those who wish to explore further.

Te Ara has drawn on some of the country's finest scholars and writers and is compiled by the Ministry for Culture and Heritage.

Source: *Te Ara – The Encyclopedia of New Zealand*

- 1845 Hone Heke begins war in the north. George Grey becomes governor. Half of all adult Māori are at least partly literate.
- 1846 War in the north ends with capture of Ruapekapeka. Fighting between Māori and Pākehā around Wellington. Te Rauparaha captured by Grey. First New Zealand Constitution Act passed. Heaphy, Fox, and Brunner begin exploring the West Coast. First steam vessel, HMS *Driver*, arrives in New Zealand.
- 1848 Settlement founded by Scottish Otago Association. Provinces of New Ulster and New Munster established. Coal discovered at Brunner on the West Coast. Earthquake centred in Marlborough damages most Wellington buildings.
- 1850 Canterbury settlement founded.
- 1852 Second New Zealand Constitution Act passed creating general assembly and six provinces with representative government.
- 1853 Idea of a Māori King canvassed by Tamihana Te Rauparaha and Matene Te Whiwhi. Many Māori agree not to sell any more land – 32 million acres have been bought by the government in the past five years.
- 1854 First session of general assembly opens in Auckland.
- 1855 Governor Thomas Gore Browne, appointed in 1854, arrives. Severe earthquake both sides of Cook Strait.
- 1856 Henry Sewell forms first ministry under responsible government and becomes first premier. Edward Stafford forms first stable ministry.
- 1858 New Provinces Act passed. Te Wherowhero installed as first Māori King, taking name Pōtatau I.
- 1859 First session of new Hawke's Bay and Marlborough provincial councils. Gold discovered in Buller River.
- 1860 Waitara dispute develops into general warfare in Taranaki. Te Wherowhero dies and is replaced as Māori King by his son, Tawhiao. Kohimaramara Conference of Chiefs.
- 1861 Grey begins second governorship. Gold discovered at Gabriel's Gully and Otago goldrushes begin. First session of Southland provincial council. Bank of New Zealand incorporated at Auckland.
- 1862 First electric telegraph line opens – from Christchurch to Lyttelton. First gold shipment from Dunedin to London.
- 1863 War resumes in Taranaki and begins in Waikato when General Cameron crosses the Mangatawhiri Stream. New Zealand Settlements Act passed to effect land confiscation. First steam railway in New Zealand opened.
- 1864 War in the Waikato ends after battle of Orakau. Māori defeat British at Gate Pā, Tauranga. Land in Waikato, Taranaki, Bay of Plenty and Hawke's Bay confiscated. Gold discovered in Marlborough and Westland. Arthur, George, and Edward Dobson are the first Pākehā to cross what becomes known as Arthur's Pass.
- 1865 Seat of government transferred from Auckland to Wellington. Native Land Court established. Māori resistance continues. Auckland streets lit by gas for first time.
- 1866 Cook Strait submarine telegraph cable laid. Cobb and Co coaches start running from Canterbury to the West Coast.
- 1867 Thames goldfield opens. Four Māori seats established in Parliament. Lyttelton railway tunnel completed. Armed constabulary established.
- 1868 Māori resistance continues through campaigns of Te Kooti Arikirangi and Titokowaru. New Zealand's first sheep breed, the Corriedale, developed.
- 1869 New Zealand's first university, the University of Otago, established.
- 1870 Last imperial forces leave New Zealand. Julius Vogel's public works and immigration policy begins. New Zealand University Act passed, establishing a federal system that lasts until 1961. Vogel announces national railway construction programme; more than 1,000 miles constructed by 1879. First rugby match in New Zealand played at Nelson. Auckland to San Francisco mail service begins.
- 1871 Deer released in Otago.
- 1872 Te Kooti retreats to the King Country and Māori armed resistance ceases. Telegraph communication links Auckland, Wellington, and southern provinces.
- 1873 New Zealand Shipping Company established.
- 1876 Abolition of the provinces and establishment of local government by counties and boroughs. New Zealand–Australia telegraph cable established.
- 1877 Education Act passed, establishing national system of primary education.
- 1878 Completion of Christchurch to Invercargill railway.
- 1879 Triennial Parliaments Act passed. Vote is given to every male aged 21 and over. Kaitangata mine explosion, 34 people die. Annual property tax introduced.
- 1881 Parihaka community forcibly broken up by troops. Te Whiti, Tohu Kakahi, and followers arrested and imprisoned. Wreck of SS *Tararua*, 131 people die. Auckland and Christchurch telephone exchanges open.
- 1882 First shipment of frozen meat leaves Port Chalmers for England on the SS *Dunedin*.

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At 2am on 11 December 1907 a fire was discovered in Parliament Buildings. A few hours later the wooden section of the structure was destroyed. The building, designed by government architect William Clayton in the Victorian Gothic style, had been constructed in 1873. The adjoining reinforced-concrete General Assembly Library, built in 1899, was saved and continues its function as the Parliamentary Library.

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| <p>1883 Te Kooti pardoned; Te Whiti and other prisoners released. Direct steamer link established between New Zealand and Britain.</p> <p>1884 King Tawhiao visits England with petition to Queen Victoria and is refused access. First overseas tour by a New Zealand rugby team, to New South Wales. Construction of King Country section of North Island main trunk railway begins.</p> <p>1886 Mt Tarawera erupts and Pink and White Terraces destroyed, 108 people die. Oil discovered in Taranaki.</p> <p>1887 New Zealand's first national park, Tongariro, is presented to the nation by Te Heuheu Tukino IV. Reefton becomes first town to have electricity. First inland parcel post service.</p> <p>1888 Birth of writer Katherine Mansfield.</p> <p>1889 Abolition of non-residential or property qualification to vote. The first New Zealand-built locomotive completed at Addington.</p> <p>1890 Maritime strike involves 8,000 unionists. 'Sweating' commission on employment conditions reports. First election on a one-man one-vote basis.</p> <p>1891 John McKenzie introduces the first of a series of measures to promote closer land settlement. John Ballance becomes premier of first Liberal Government.</p> <p>1892 First meeting of national Kotahitanga Māori Parliament. The Kingitanga sets up its own Kauhanganui Parliament.</p> <p>1893 Right to vote extended to women. Richard John Seddon succeeds Ballance. Liquor licensing poll</p> | <p>introduced. Elizabeth Yates becomes New Zealand's first woman mayor, of Onehunga. Banknotes become legal tender.</p> <p>1894 Compulsory arbitration of industrial disputes and reform of employment laws. Advances to Settlers Act. Clark, Fyfe, and Graham are the first to climb Mt Cook.</p> <p>1896 Brunner mine explosion, 67 people die. Census measures national population as 743,214.</p> <p>1897 First of series of colonial, and later imperial, conferences in London.</p> <p>1898 Old Age Pensions Act passed. First cars imported to New Zealand.</p> <p>1899 New Zealand army contingent sent to South African war. First celebration of Labour Day.</p> <p>1900 Māori Councils Act passed. Public Health Act sets up Department of Public Health in 1901.</p> <p>1901 Cook and other Pacific islands annexed. Penny postage first used.</p> <p>1902 Pacific cable begins operating between New Zealand, Australia, and Fiji.</p> <p>1903 Richard Pearse achieves semi-controlled flight near Timaru.</p> <p>1905 The 'Originals' rugby team tours Britain and becomes known as the All Blacks.</p> <p>1906 Seddon dies and is succeeded by William Hall-Jones as prime minister.</p> <p>1907 New Zealand constituted as a dominion. Fire destroys Parliament Buildings.</p> | <p>1908 Auckland to Wellington main trunk railway line opens. Ernest Rutherford awarded Nobel Prize in Chemistry. New Zealand's population reaches 1 million.</p> <p>1909 'Red' Federation of Labour formed. SS <i>Penguin</i> wrecked in Cook Strait, 75 people die. Compulsory military training introduced. Stamp-vending machine invented and manufactured in New Zealand.</p> <p>1912 William Massey the first Reform Party prime minister. Waihi miners strike. Malcolm Champion New Zealand's first Olympic gold medallist (as a member of the Australasian 200-metre freestyle relay swimming team).</p> <p>1913 Waterfront strikes in Auckland and Wellington.</p> <p>1914 World War I begins and German Samoa occupied. New Zealand Expeditionary Forces despatched to Egypt. Huntly coal mine disaster, 43 people die.</p> <p>1915 New Zealand forces take part in Gallipoli campaign. Reform and Liberal form National War Cabinet. Britain announces its intention to purchase all New Zealand meat exports during war.</p> <p>1916 New Zealand troops transfer to Western Front. Conscription introduced. Labour Party formed.</p> <p>1917 Battle of Passchendaele – about 1,000 New Zealanders die. Six o'clock public house closing introduced.</p> <p>1918 World War I ends. Influenza epidemic kills an estimated 8,500. Prohibition petition (242,001 signatures) is presented to Parliament.</p> <p>1919 Women eligible for election to Parliament. Massey signs Treaty of Versailles. First official airmail flight from Auckland to Dargaville.</p> <p>1920 Anzac Day established. New Zealand gets League of Nations mandate to govern Western Samoa. First aeroplane flight across Cook Strait.</p> <p>1921 New Zealand division of Royal Navy established.</p> <p>1923 Otira tunnel opens. Ross Dependency proclaimed. Katherine Mansfield dies.</p> <p>1926 National public broadcasting begins under auspices of Radio Broadcasting Co Ltd.</p> <p>1928 United Party wins general election. Kingsford-Smith completes first trans-Tasman flight.</p> <p>1929 Depression deepens. Earthquake in Murchison-Karamea district, 15 people die. First health stamps issued.</p> <p>1930 Unemployment Board set up to provide relief work.</p> <p>1931 Newly formed coalition under George Forbes wins general election. Hawke's Bay earthquake, 261 die. Substantial reductions in public service wages and salaries.</p> |
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Athletes' gold run

New Zealand's greatest day at the Olympic Games was arguably 2 September 1960. Peter Snell won a gold medal in the 800 metres and Murray Halberg followed up 30 minutes later to win the 5,000 metres, completing a remarkable track double in Rome's Olympic Stadium.

Snell had arrived in Rome as a relatively unknown middle-distance runner. The 21-year-old had raced outside New Zealand only once before, and his best time over 800 metres ranked him just 26th in the world. However the young Kiwi was helped by the calming presence of his experienced teammate, Halberg, and the careful preparation of his coach, Arthur Lydiard.

The 800-metre final was run at a red-hot pace. The favourite, world record-holder Roger Moens of Belgium, took the lead 100 metres from the finish line and looked to be heading for victory. But Snell surged past him on the inside, crossing the finish line with his eyes shut. When he discovered that he had won, the New Zealander was so stunned that he did not even take a victory lap.

Just minutes later, it was Murray Halberg's turn to line up in the 5,000 metres. The popular New Zealander was a world-class miler in the mid-1950s but had finished a disappointing 11th in the 1,500-metre final at the 1956 Olympics in Melbourne.

Halberg recovered his confidence to win gold in the three-mile event at the 1958 Empire and Commonwealth Games in Cardiff, and easily qualified for the 5,000-metre final in Rome two years later.

Drawing inspiration from Snell's earlier triumph, Halberg completed a golden day for New Zealand by winning in 13 minutes 43.4 seconds. Running to a plan set by Lydiard, he burst ahead of the field with three laps to go, and hung on bravely as other runners chased him down the home straight. A couple of strides after reaching the tape, he collapsed on the infield, completely spent. Australian distance champion Ron Clarke described it as "probably the most courageous run in Olympic history".

At the 1964 Olympics in Tokyo, Snell completed his own personal double on the track, winning both the 800 and 1,500 metres.

New Zealand competitors have won two golds on the same day on four other occasions (21 October 1964 in Tokyo, 10 and 11 August 1984 in Los Angeles, and 16 August 2008 in Beijing) – but never in such high-profile events as in Rome.

Source: nzhistory.net.nz

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Jean Batten by her aeroplane, taken about 1934. Batten made the first direct flight from England to New Zealand in 1936. The journey took 11 days.

- 1932 Compulsory arbitration of industrial disputes abolished. Unemployed riot in Auckland, Dunedin, and Christchurch. Reductions in old-age and other pensions.
- 1933 Elizabeth McCombs becomes first woman MP. Distinctive New Zealand coins first issued.
- 1934 First trans-Tasman airmail.
- 1935 First Labour Government elected under Michael Joseph Savage. Air services begin across Cook Strait.
- 1936 Reserve Bank of New Zealand taken over by State. State housing programme launched. Guaranteed prices for dairy products introduced. National Party formed from former Coalition MPs. Inter-island trunk air services introduced. Jack Lovelock wins gold at Berlin Olympics. Jean Batten's record flight from England. Standard working week reduces from 44 to 40 hours for many workers.
- 1937 Federation of Labour unifies trade union movement. Royal New Zealand Air Force set up as separate branch of armed forces.
- 1938 Social Security Act establishes revised pensions structure and the basis of a national health service. Import and exchange controls introduced.
- 1939 World War II begins. Second New Zealand Expeditionary Force formed; Māori Battalion organised on tribal lines. Bulk purchases of farm products by Great Britain. HMS *Achilles*, on loan to New Zealand, takes part in Battle of the River Plate.
- 1940 Savage dies and is succeeded by Peter Fraser. Sidney Holland becomes leader of opposition. Conscription for military service. German mines laid across Hauraki Gulf.
- 1941 Japan enters the war. Māori War Effort Organisation set up. Pharmaceutical and general practitioner medical benefits introduced.
- 1942 Economic stabilisation. New Zealand troops in Battle of El Alamein. Food rationing introduced. Women mobilise for essential work.
- 1943 New Zealand troops take part in invasion of Italy.
- 1944 Australia–New Zealand Agreement provides for cooperation in the South Pacific.
- 1945 War in Europe ends 8 May; in the Pacific on 15 August. New Zealand signs United Nations charter. Māori Social and Economic Advancement Act passed. National Airways Corporation founded.
- 1946 Family benefit of £1 a week becomes universal. Bank of New Zealand nationalised.
- 1947 Statute of Westminster adopted by New Zealand Parliament. First public performance by National Orchestra. Mabel Howard the first woman cabinet minister. Fire in Ballantyne's department store, Christchurch, 41 die.
- 1948 Protest campaign against exclusion of Māori players from 1949 rugby tour of South Africa. Polio epidemic closes schools. Mts Ruapehu and Ngāuruhoe erupt. Meat rationing ends.
- 1949 Referendum supports compulsory military training. National Government elected. New Zealand gets first four navy frigates.
- 1950 Naval and ground forces sent to Korean War. Legislative Council abolished. Wool boom. Empire Games in Auckland.
- 1951 Prolonged waterfront dispute – state of emergency proclaimed. Anzus Treaty signed by United States, Australia, and New Zealand. Māori Women's Welfare League established.
- 1952 Population passes 2 million.
- 1953 First tour by a reigning monarch, Queen Elizabeth II. Edmund Hillary and Sherpa Tensing Norgay first to climb Mt Everest. Railway disaster at Tangiwai, 151 die. World sheep-shearing record set by Godfrey Bowen.
- 1954 New Zealand signs South-east Asia Collective Defence Treaty. New Zealand gains seat on United Nations Security Council. Social Credit gets 10 percent of vote in general election, but no seat in Parliament.
- 1955 Pulp and paper mill opens at Kawerau. Rimutaka rail tunnel opens.
- 1956 New Zealand troops deployed in Malaya.
- 1957 Walter Nash leads second Labour Government. Last hanging. Scott Base

- established in Antarctica. Court of Appeal constituted. Dairy products gain 10 years unrestricted access to Britain. Compulsory military training abolished.
- 1958** 'Pay as you earn' tax introduced. Arnold Nordmeyer's 'Black Budget'. First geothermal electricity generated at Wairakei.
- 1959** Antarctic Treaty signed with other countries involved in Antarctic scientific exploration. Auckland's harbour bridge opens.
- 1960** Regular television programmes begin in Auckland. National Government elected. Government Service Equal Pay Act passed.
- 1961** New Zealand joins the International Monetary Fund. Capital punishment abolished.
- 1962** Western Samoa becomes independent. Sir Guy Powles becomes first ombudsman. New Zealand Māori Council established. Cook Strait rail ferry service begins. Taranaki gas well opens. Olympic gold medallist Peter Snell establishes mile and half-mile world athletic records.
- 1963** Queen Elizabeth II visits. Tauranga becomes a city. Popular radio personality Aunt Daisy (Maud Basham) dies. Passenger jet service begins between New Zealand and London.
- 1964** Marsden Point oil refinery opens near Whangarei. Cook Strait power cables laid.
- 1965** Free trade agreement negotiated with Australia (Nafta). New Zealand combat forces support United States troops in Viet Nam amid public protests. Self-government for Cook Islands.
- 1966** International airport officially opens at Auckland. Te Ātairangikaahu becomes first Māori Queen.
- 1967** Referendum extends hotel closing hours to 10pm. Decimal currency introduced. Lord Arthur Porritt becomes first New Zealand-born governor-general. Breath and blood tests introduced for suspected drinking drivers.
- 1968** Inter-island ferry *Wahine* sinks in Wellington Harbour, 51 die. Inangahua earthquake, three die.
- 1969** Vote extended to 20-year-olds. National Government wins fourth election in a row. First output from Glenbrook steel mill.
- 1970** Natural gas from Kapuni supplied to Auckland.
- 1971** New Zealand secures continued access of butter and cheese to the United Kingdom. Ngā Tamatoa protest at Waitangi celebrations. Tiwai Point aluminium smelter begins operating. Warkworth satellite communications station opens.
- 1972** Labour Government led by Norman Kirk elected. Equal Pay Act passed.
- 1973** Great Britain becomes member of European Economic Community (EEC). Naval frigate protests against French nuclear testing in Pacific. New Zealand's population is 3 million. Rugby tour by South Africa cancelled. Colour television introduced.
- 1974** Prime Minister Norman Kirk dies. Commonwealth Games held in Christchurch. Vote given to 18-year-olds.
- 1975** National wins election; Robert Muldoon becomes prime minister. Māori march against land loss. Waitangi Tribunal established.
- 1976** Matrimonial Property Act passed. Pacific island overstayers deported. EEC quotas for New Zealand butter set until 1980. Metric system of weights and measures introduced. Subscriber toll dialling begins.
- 1977** New Zealand's 200-mile exclusive economic zone established. Bastion Point occupied by Māori-land protesters.
- 1978** National Government re-elected.
- 1979** Air New Zealand plane crashes on Mt Erebus, Antarctica, 257 die. Car-less days introduced to reduce petrol use.
- 1980** Saturday trading partly legalised. Eighty-day strike at Kinleith pulp and paper mill.
- 1981** South Africa's Springbok rugby team's tour brings widespread disruption.
- 1982** Closer Economic Relations agreement signed with Australia. First kōhanga reo established. Wage, price, and rent freeze imposed – lasts until 1984.
- 1983** Visit by nuclear-powered United States Navy frigate *Texas* sparks protests. Official Information Act replaces Official Secrets Act. New Zealand Party founded.
- 1984** Labour Party wins snap general election. Finance Minister Roger Douglas begins deregulating the economy. Te Hikoi ki Waitangi march and disruption of Waitangi Day celebrations. Auckland's population exceeds that of the South Island. Government devalues New Zealand dollar by 20 percent.

Erebus disaster remembered

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The Dominion Post

Ian Whiteley and Erik Barnes, from Antarctica New Zealand, secure a koru-shaped capsule to the memorial cross at the Mt Erebus crash site in January 2010. The capsule, made by sculptor Phil Price, contains messages from relatives of the 257 people who died in the tragedy 30 years ago.

On 28 November 1979, Air New Zealand Flight TE901 left Auckland airport for an 11-hour return sightseeing flight to Antarctica. At 12.49pm, the aircraft crashed into the lower slopes of Mt Erebus killing all 237 passengers and 20 crew on board. It was the worst civil disaster in New Zealand's history.

Search and rescue aircraft in Antarctica were activated in the hours after contact was lost with the flight but it wasn't until midnight that wreckage was sighted on the lower slopes of Mt Erebus. Final confirmation that there were no survivors came later the next day. Professionals and volunteers based in Antarctica and New Zealand subsequently took part in difficult and often harrowing investigative, recovery, and identification operations.

Much is known of the passengers on the ill-fated flight. Their lives were pored over by the media in the days and weeks after the crash. Tragic stories emerged of passengers who had won tickets in competitions or had received them as gifts from husbands, wives, parents, and grandparents. While most were New Zealanders, the trip also attracted 57 overseas passengers, 24 of whom were Japanese.

The passengers and crew have been remembered in many ways. Memorial services were held in the immediate aftermath of the crash, and have continued, notably on significant anniversaries. A number of public and private memorials have been erected, largely within the Auckland region.

Following the crash, debate raged over who was at fault. The chief inspector of air accidents, Ron Chippendale, attributed the disaster to pilot error. Justice Peter Mahon's Royal Commission of Inquiry disagreed, placing the blame on Air New Zealand and its systems. The controversy continues.

On the 30th anniversary of the disaster in 2009, Air New Zealand chief executive Rob Fyfe apologised to those affected for Air New Zealand's failures and for its treatment of the victims' families. His apology came in the wake of his experiences following a 2008 air crash in Perpignan, France, in which four Air New Zealand staff had died. But for many this apology did not go far enough. At the time of the apology Maria Collins, the wife of Captain Jim Collins, the pilot of Flight TE901, advised the media that she still hopes to clear her husband's name.

Source: *Te Ara – the Encyclopedia of New Zealand*

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Peter Bromhead's cartoon, published in the Auckland Star on 25 Sept 1985, refers to the unifying effect the French agents' bombing of Greenpeace's ship the Rainbow Warrior had on New Zealanders, and how this diverted attention from the proposed introduction of a goods and services tax.

- 1985** Anti-nuclear policy means visit by American warship USS *Buchanan* refused. Greenpeace vessel *Rainbow Warrior* bombed by French agents in Auckland harbour. New Zealand dollar floated. Author Keri Hulme wins Booker Prize for *The Bone People*. First case of locally-contracted Aids reported. Waitangi Tribunal given power to hear Māori land grievances back to 1840.
- 1986** Homosexual Law Reform Bill passed. Royal Commission favours MMP electoral system. Soviet cruise ship, the *Mikhail Lermontov*, sinks in Marlborough Sounds. Goods and services tax (GST) introduced. First visit to New Zealand by a pope.
- 1987** Share prices plummet 59 percent in four months. Labour wins general election. Māori Language Act makes Māori an official language. Antinuclear legislation enacted. First Lotto draw. New Zealand's first heart transplant performed. New Zealand wins first Rugby World Cup.
- 1988** More than 100,000 unemployed. Bastion Point land returns to Māori ownership. Electrification of North Island's main trunk line completed. New Zealand Post closes 432 post offices. Fisheries quota package announced for Māori iwi.
- 1989** Prime Minister David Lange suggests formal withdrawal from Anzus. Jim Anderton founds New Labour Party. Lange resigns; Geoffrey Palmer becomes prime minister. Reserve Bank Act sets bank's role to maintain price stability. Sunday trading begins. Māori Fisheries Act passed.
- 1990** New Zealand celebrates its sesquicentennial. Māori leaders establish National Congress of Tribes. Dame Catherine Tizard becomes first woman governor-general. National Party has landslide victory; Jim Bolger becomes prime minister. One and two cent coins withdrawn. Commonwealth Games in Auckland. Telecom sold for \$4.25 billion. Welfare payments cut.
- 1991** Welfare payments cut further. Alliance Party formed. Employment Contracts Act passed. Number of unemployed exceeds 200,000. New Zealand troops join multi-national force in Gulf War. Avalanche reduces Aoraki-Mt Cook's height by 10.5 metres.
- 1992** Government and Māori negotiate Sealord fisheries deal. Public health system reformed. State housing commercialised. New Zealand has seat on United Nations Security Council.
- 1993** New Zealand First Party launched. National wins election without majority; Opposition MP Peter Tapsell becomes Speaker of the House, giving National a majority. Referendum favours MMP electoral system.
- 1994** Government commits 250 soldiers to peacekeeping in Bosnia. Government proposes \$1 billion cap for final settlement of Treaty of Waitangi claims. New Zealand's first casino opens in Christchurch. First fast-ferry passenger service begins across Cook Strait.
- 1995** Team New Zealand wins yachting's America's Cup. Occupation of Moutua Gardens in Wanganui. Renewed French nuclear testing results in New Zealand protest flotilla and navy ship *Tui* sailing for Mururoa Atoll. Commonwealth Heads of Government meeting in Auckland. New Zealand soldiers return from Bosnia.
- 1996** First MMP election brings National/ New Zealand First coalition government. First legal sports betting through Totalisator Agency Board.
- 1997** Government signs \$170-million settlement with Ngāi Tahu. Prime Minister Bolger resigns after National Party coup while he is overseas; replaced by New Zealand's first woman prime minister, Jenny Shipley.
- 1998** Auckland city businesses hit by month-long power cut. New Zealand women's rugby team, the Black Ferns, become world champions. Coalition government dissolved; National becomes minority government.
- 1999** New Zealand sends peacekeepers to East Timor. Auckland hosts APEC world leaders' conference. Former prime minister Mike Moore becomes World Trade Organisation head. Labour forms government in coalition with Alliance party and with support of the Greens, who enter Parliament for the first time with seven seats. Legal drinking age lowered – from 20 to 18 years.
- 2000** Air New Zealand gains ownership of Ansett Australia. *Team New Zealand* beats Italy's *Luna Rossa* 5-0 to retain the America's Cup. Labour Government abolishes knighthoods. Dr Alan MacDiarmid wins Nobel Prize for Chemistry for his part in the discovery and development of conductive polymers.
- 2001** New Zealand's largest company, Fonterra, forms from New Zealand Dairy Group and Kiwi Dairies. Qantas New Zealand and Ansett collapse. Government injects \$550 million to keep Air New Zealand flying following a \$1.4 billion loss – the largest in New Zealand's corporate history. Government disbands RNZAF combat wing. Bill English becomes leader of the National Party. Yachtsman Sir Peter Blake murdered by pirates on the Amazon River.
- 2002** Labour wins election; forms coalition government with Progressive Coalition, and a special arrangement with United Future. Rakiura, New Zealand's 14th national park covering about 85 percent of Stewart Island, opens. Three New Zealanders among 185 killed in Bali terrorist bombing. *The Fellowship of the Ring*, first film in *The Lord of the Rings* trilogy directed by New Zealand's Peter Jackson, wins four Oscars.

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The Dominion Post

Bill and Glenys Chadderton with a 1905 passenger shipping list from Archives New Zealand. The couple volunteered more than a year of their time to convert about 280,000 pages of shipping records, from 1840 to the mid-1970s, into a digital archive accessible on Archives New Zealand's website. Their effort will make it much easier for people to research their family history.

- 2003** New Zealand loses America's Cup to Swiss challenger *Alinghi*, skippered by Russell Coutts, previously of Team New Zealand. Population reaches 4 million. National elects Don Brash as leader.
- 2004** *The Return of the King* film wins 11 Oscars. Controversial Foreshore and Seabed Act passed following a hiko (march) of thousands of protestors. Tariana Turia resigns as Labour MP; re-elected eight weeks later as Māori Party's first MP. Supreme Court replaces London-based Privy Council as New Zealand's court of final appeal. Unknown World War I warrior from Somme battlefield returned, to rest at Wellington's National War Memorial.
- 2005** Titahi Bay golfer Michael Campbell wins US Open. Former prime minister David Lange dies. Labour has one-seat election night lead; forms Government in coalition with Jim Anderton's Progressives, and United Future. Green Party co-leader Rod Donald dies. Naval frigate *Wellington* scuttled off Wellington's south coast, as a diving attraction. New Zealand wins right to host 2011 Rugby World Cup.
- 2006** Dame Te Ātairangikaahu, Māori Queen for 40 years, dies; her son becomes King Tūheitia. Lowest road toll (391) since 1960. Icebergs float past Otago. Trade Me online auction site sold to media company. John Key topples Don Brash as National Party leader. Government regulates to 'unbundle' the telecommunications copper-wire network. Canterbury has heaviest snowfall since 1945; Wellington's spring is windiest in 40 years.
- 2007** Government introduces 20 hours free early childhood education, four weeks annual leave for workers, and KiwiSaver. Lowest unemployment level since late 1970s; oil prices and the dollar at highest levels. Country debates 'smacking' children before the Crimes (Substituted Section 59) Amendment Bill passes. Willie Apiata first New Zealander awarded Victoria Cross since World War II. South Island population passes 1 million. Nation mourns sporting 'almost-but-not-quite' experiences – the yachting America's Cup, Netball World Championship, and rugby and cricket world cups.
- 2008** Global financial crisis – economy goes into recession, ending 16 years of growth. Sir Edmund Hillary dies. Seven die while canyoning in Tongariro National Park. National Party-led coalition wins general election, John Key becomes prime minister. New Zealand wins Rugby League World Cup, three gold medals at Beijing Olympics, and five gold medals at Beijing Paralympics.
- 2009** Former prime minister Helen Clark becomes head of United Nations Development Programme. David Bain acquitted of murdering his family at retrial. Unemployment rises to 10-year high (6.5 percent) – result of global recession. Swine flu pandemic affects thousands, 20 die. Samoa and Tonga suffer 8.3 earthquake and tsunami, New Zealand sends emergency aid and support.

Contributors and related websites

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Dictionary of New Zealand Biography – www.dnzb.govt.nz

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National Library of New Zealand – www.natlib.govt.nz

New Zealand Archaeology – www.nzarchaeology.org

New Zealand Electronic Text Centre – www.nzetc.org

Statistics New Zealand – www.stats.govt.nz

Te Ara – The Encyclopedia of New Zealand – www.teara.govt.nz

Treaty of Waitangi – www.treatyofwaitangi.govt.nz

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The Dominion Post

The ministerial team of the new National-led Government gathered with Governor-General the Hon Sir Anand Satyanand (centre) after they received their warrants at Parliament in November 2008. Four Māori ministers were sworn in, along with New Zealand's first Asian minister, Pansy Wong.

3 | Government

Constitution

New Zealand is a constitutional monarchy and has had a parliamentary government since 1856. Queen Elizabeth II has the title Queen of New Zealand. The constitution is concerned with the establishment and composition of the legislative, executive, and judicial branches of government, their powers and duties, and the relationship between these branches.

New Zealand's constitutional history can be traced back to the signing of the Treaty of Waitangi in 1840. The treaty was an agreement between the British Crown and Māori in which Māori gave the Crown rights to govern, and the Crown guaranteed Māori full protection of their interests and status, and full citizenship rights.

New Zealand's constitution is not contained in a single document. The Constitution Act 1986 brought together important statutory constitutional provisions and set out the system of government, in particular the executive, legislative, and judiciary roles. Other sources of New Zealand's constitution include the Bill of Rights 1688 (United Kingdom (UK)), the Electoral Act 1993, the Imperial Laws Application Act 1988 (which lists UK statutes still in force in New Zealand), Standing Orders of the House of Representatives, constitutional conventions, New Zealand legislation, and decisions of the courts.

The Crown and the governor-general

The governor-general is the Crown's representative in New Zealand, and exercises royal powers derived from statute and the general law.

The governor-general's powers are set out in the Letters Patent 1983 and it is for the courts to decide on the limits of these powers. One of the governor-general's main constitutional functions is to determine where the confidence of the House lies, so a government can be appointed after an election. The governor-general does not take part in negotiations. By convention, she or he will accept the outcome of the government-formation process.

The governor-general's assent is required before bills can become law. However, the governor-general is required by constitutional convention to follow the advice of ministers. In extraordinary circumstances, the governor-general can reject advice if he or she believes a government is intending to act unconstitutionally. This is known as the reserve power.

The Sovereign appoints the governor-general on the prime minister's recommendation, normally for a term of five years. Table 3.02 (overleaf) lists the vice-regal representatives of New Zealand since the signing of the Treaty of Waitangi.

Table 3.01

Sovereigns of New Zealand				
Monarch	Accession	Died	Age	Reigned (years)
House of Hanover				
Victoria	1837 ⁽¹⁾	1901	81	63
House of Saxe-Coburg				
Edward VII	1901	1910	68	9
House of Windsor				
George V	1910	1936	70	25
Edward VIII ⁽²⁾	1936	1972	77	...
George VI	1936	1952	56	15
Elizabeth II	1952	...	...	...

(1) Queen Victoria became New Zealand's queen in 1840.

(2) Abdicated; reigned 325 days.

Symbol: ... not applicable

Source: Statistics New Zealand

The Hon Sir Anand Satyanand, GNZM, QSO

Image removed due to copyright issues

The Hon Sir Anand Satyanand was sworn in as New Zealand's 19th governor-general for a five-year term in August 2006. He is New Zealand's first governor-general of Indian and Pacific ancestry and has had a lengthy career as a lawyer, judge, and ombudsman as well as contributing to many community, professional, and sporting groups.

He was born and raised in Auckland. His parents were born in Fiji and migrated to New Zealand.

He graduated with a Bachelor of Laws degree from the University of Auckland in 1970. Following admission to the bar, he worked at the Crown Solicitor's Office in Auckland. He then spent six years as a partner in an Auckland law firm, principally practising in criminal law, revenue law, and judicial review cases. During this time he served as a member of the Government Criminal Law Reform Committee and the District Court Rules Committee.

In 1982, he was appointed a district court judge, with a warrant for civil and criminal cases, specialising in criminal jury trials. During this time he was involved in developing judicial orientation and professional education programmes, served as a prison board chairman, and on the National Parole Board.

In 1995 he was appointed as a parliamentary ombudsman, serving two five-year terms.

The Hon Sir Anand Satyanand has contributed to the community as an elected member of the Auckland District Law Society Council and as a member of the Freeman's Bay Community Committee. He was also involved with the administration of rugby league.

Through involvement with the Asia New Zealand Foundation, the New Zealand Institute of International Affairs, and Transparency International, he has reflected both his interests and family background – with the Pacific and India.

He and his wife Susan were married in 1970 and have three adult children.

The Hon Sir Anand Satyanand was awarded the New Zealand 1990 Commemoration Medal and made a distinguished companion of the New Zealand Order of Merit for public services in 2005. On being appointed governor-general, he was made a principal companion of the New Zealand Order of Merit in 2006; and a companion of the Queen's Service Order in 2007.

In 2009, he was redesignated as a Knight Grand Companion of the New Zealand Order of Merit. In 2006, the University of Auckland awarded him an honorary Doctor of Laws degree.

Source: Government House

Table 3.02

Vice-regal representatives of New Zealand			
Representative ⁽¹⁾	Dependency	Assumed office	Retired
Lieutenant-governor			
Captain William Hobson, RN		30 Jan 1840	3 May 1841
Crown colony			
Governor			
Captain William Hobson, RN		3 May 1841	10 Sep 1842
Captain Robert FitzRoy, RN		26 Dec 1843	17 Nov 1845
Captain George Grey		18 Nov 1845	31 Dec 1847
Governor-in-chief			
Sir George Grey, KCB		1 Jan 1848	7 Mar 1853
Self-governing colony			
Governor			
Sir George Grey, KCB		7 Mar 1853	31 Dec 1853
Colonel Thomas Gore Browne, CB		6 Sep 1855	2 Oct 1861
Sir George Grey, KCB		4 Dec 1861	5 Feb 1868
Sir George Ferguson Bowen, GCMG		5 Feb 1868	19 Mar 1873
Rt Hon Sir James Fergusson, Bt		14 Jun 1873	3 Dec 1874
Marquess of Normanby, GCB, GCMG, PC		9 Jan 1875	21 Feb 1879
Sir Hercules George Robert Robinson, GCMG		17 Apr 1879	8 Sep 1880
Hon Sir Arthur Hamilton Gordon, GCMG		29 Nov 1880	23 Jun 1882
Lieutenant-General Sir William Francis Drummond Jervis, GCMG, CB		20 Jan 1883	22 Mar 1889
Earl of Onslow, GCMG		2 May 1889	24 Feb 1892
Earl of Glasgow, GCMG		7 Jun 1892	6 Feb 1897
Earl of Ranfurly, GCMG		10 Aug 1897	19 Jun 1904
Lord Plunket, GCMG, KCVO		20 Jun 1904	7 Jun 1910
Dominion			
Lord Islington, KCMG, DSO, PC		22 Jun 1910	2 Dec 1912
Earl of Liverpool, GCMG, MVO, PC		19 Dec 1912	27 Jun 1917
Governor-general			
Earl of Liverpool, GCB, GCMG, GBE, MVO, PC		28 Jun 1917	7 Jul 1920
Admiral of the Fleet Viscount Jellicoe, GCB, OM, GCMG		27 Sep 1920	26 Nov 1924
General Sir Charles Fergusson, BT, GCMG, KCB, DSO, MVO		13 Dec 1924	8 Feb 1930
Viscount Bledisloe, GCMG, KBE, PC		19 Mar 1930	15 Mar 1935
Viscount Galway, GCMG, DSO, OBE, PC		12 Apr 1935	3 Feb 1941
Marshal of the Royal Air Force Sir Cyril Louis Norton Newall, GCB, OM, GCMG, CBE, AM		22 Feb 1941	19 Apr 1946
Realm			
Lieutenant-General the Lord Freyberg, VC, GCMG, KCB, KBE, DSO		17 Jun 1946	15 Aug 1952
Lieutenant-General the Lord Norrie, GCMG, GCMG, CB, DSO, MC		2 Dec 1952	25 Jul 1957
Viscount Cobham, GCMG, TD		5 Sep 1957	13 Sep 1962
Brigadier Sir Bernard Fergusson, GCMG, GCMG, DSO, OBE		9 Nov 1962	20 Oct 1967
Sir Arthur Espie Porritt, BT, GCMG, GCMG, CBE		1 Dec 1967	7 Sep 1972
Sir (Edward) Denis Blundell, GCMG, GCMG, KBE, QSO		27 Sep 1972	5 Oct 1977
Rt Hon Sir Keith Jacka Holyoake, KG, GCMG, CH, QSO		26 Oct 1977	27 Oct 1980
Hon Sir David Stuart Beattie, GCMG, GCMG, QSO, QC		6 Nov 1980	10 Nov 1985
Rt Rev Hon Sir Paul Alfred Reeves, GCMG, GCMG, QSO		20 Nov 1985	29 Nov 1990
Hon Dame Catherine Tizard, GCMG, GCMG, DBE, QSO		13 Dec 1990	3 Mar 1996
Rt Hon Sir Michael Hardie Boys, GNZM, GCMG, QSO		21 Mar 1996	21 Mar 2001
Hon Dame Silvia Cartwright, PCNZM, DBE, QSO		4 April 2001	4 Aug 2006
Hon Anand Satyanand, GNZM, QSO		23 Aug 2006	...

(1) Honours are specified only if held on retirement from office.

Symbol: ... not applicable

Source: Government House

Parliamentary tradition

New Zealand's first elections were held in 1853. Most Pākehā (European) men could vote because they rented or owned property, which was a voting requirement, but very few Māori could.

The first meeting of members of Parliament was in 1854 in Auckland. Difficulties immediately arose because the Governor would not hand over power without authorisation from Britain. In 1856, this dilemma was resolved and the first government was formed from a majority in Parliament. In 1865, Parliament moved to centrally located Wellington.

The government cannot act effectively without Parliament, because it cannot raise or spend money without parliamentary approval. For most categories of expenditure, this approval comes from an annual vote of funds to the government. Parliament has to be assembled regularly and has the opportunity to hold the government to account.

Electoral system

Since 1996, New Zealand has had a mixed member proportional (MMP) electoral system. Voters have two votes – one electorate vote and one party vote.

Electorate votes are used to elect Members of Parliament (MPs) to represent local areas. Party votes are used to allocate extra seats to political parties so that the make-up of Parliament reflects the support for these parties across the country.

Image removed due to copyright issues

The Dominion Post

In January 2010 Prince William visited New Zealand, representing his grandmother Queen Elizabeth II, Queen of New Zealand, at the opening of the New Zealand Supreme Court building in Wellington. Here he is being presented with a traditional korowai (cloak).

For the 2008 election, New Zealand was divided geographically into 63 general and seven Māori electorates. The political parties were subsequently allocated 52 party seats after party votes were counted, and the number of seats in Parliament increased by two to 122. Table 3.03 shows seats won by each political party since 1949, and the total number of seats available at general elections.

Table 3.03

Seats held by political parties after general elections

Election	National	Labour	NZ First	Alliance	ACT	Green	United Future	Other	Total
1949	46	34	...	...	...	...	...	0	80
1951	50	30	...	...	...	...	...	0	80
1954	45	35	...	...	...	...	...	0	80
1957	39	41	...	...	...	...	...	0	80
1960	46	34	...	...	...	...	...	0	80
1963	45	35	...	...	...	...	...	0	80
1966	44	35	...	...	...	...	...	1 ⁽¹⁾	80
1969	45	39	...	...	...	...	...	0	84
1972	32	55	...	...	...	...	...	0	87
1975	55	32	...	...	...	...	...	0	87
1978	51	40	...	...	...	...	...	1 ⁽¹⁾	92
1981	47	43	...	...	...	...	...	2 ⁽¹⁾	92
1984	37	56	...	...	...	...	...	2 ⁽¹⁾	95
1987	40	57	...	...	...	...	...	0	97
1990	67	29	...	...	...	...	...	1 ⁽²⁾	97
1993	50	45	2	2	...	...	...	0	99
1996	44	37	17	13	8	...	...	1 ⁽³⁾	120
1999	39	49	5	10	9	7	...	1 ⁽³⁾	120
2002	27	52	13	0	9	9	8	2 ⁽⁴⁾	120
2005	48	50	7	0	2	6	3	5 ⁽⁵⁾	121
2008	58	43	0	0	5	9	1	6 ⁽⁶⁾	122

(1) Social Credit/Democrats. (2) New Labour. (3) United. (4) Progressive Coalition. (5) Progressive 1 seat, Māori 4 seats. (6) Progressive 1 seat, Māori 5 seats.

Symbol: ... not applicable

Source: Office of the Clerk of the House of Representatives

Te Hakiutahi o Aotearoa

The principal reason behind the creation of Te Hakiutahi o Aotearoa, the First Flag of New Zealand, was to provide essential protection for trading ships built in New Zealand.

In 1830, the *Sir George Murray*, a New Zealand-built ship, was seized in Sydney, together with its cargo of flax and timber (which were confiscated), for sailing without a flag signalling national identity.

In October 1832, Paratene Te Manu and other chiefs met with King William IV in England and were given the right to fly a flag. In 1833, James Busby, the British Resident at the Bay of Islands, wrote to the Colonial Secretary suggesting a national flag for New Zealand should be adopted. He considered the Māori chiefs should have a say as to the choice of flag.

Three flags were made in Sydney and brought to New Zealand on the HMS *Alligator* and, on 20 March 1834, representatives of Te Runanga Kohuiarau (the Confederation of Chiefs of the United Tribes of New Zealand) chose one.

The flag was subsequently hoisted up a flagpole and declared the 'Flag of the Confederation of Chiefs of the United Tribes of New Zealand and the Crown of England'.

The chosen flag was described as a red cross of St George on a white field, with a blue field in the upper corner (upper canton) next to the staff. The blue field was pierced by four white eight-point stars, and also contained another red cross with a narrow black border (see page 1V).

The flag was dispatched to England for approval by King William IV, who subsequently directed the Admiralty to recognise and protect any vessel bearing this flag. On 19 August 1835, the New South Wales Parliament gazetted a notice recognising this flag as the national flag of New Zealand. The flag gave recognition and protection to New Zealand vessels trading abroad until February 1840.

When New Zealand became a member of the British Empire with the signing of the Treaty of Waitangi, the Union Flag Notice recognised the Union Flag as New Zealand's national flag.

In the mid-1840s, Hone Heke cut down the flagpole flying the Union Flag at Russell/Kororāreka, in the Bay of Islands, in protest over the removal of Māori chiefs' rights to trade and designate customs duties. The first flag has important historical significance for New Zealand because today's formal trading arrangements had their beginnings at the time of the flag's origin.

Whenever flags are flown on a ship, there are four positions in which they can be flown. The number one position is at the gaff (reserved for the New Zealand flag), number two is at the masthead (for the governor-general's flag or the Royal Standard or for Te Hakiutahi o Aotearoa), number three should be flown on the cross-arm on the port side (Te Hakiutahi o Aotearoa if the number two position is occupied), and the number four position is for an iwi/hapū (tribe/subtribe) flag or other flag.

Today Te Hakiutahi o Aotearoa is flown daily at Waitangi in the Bay of Islands. This tradition is attributed to the late Lt Col Sir James Henare, of Ngāti Hine. As the nation continues into the 21st century and discussion continues about a new New Zealand flag, it is more than fitting that we recognise the earliest flag.

Source: Dr Henare R Broughton

Electorate boundaries are redrawn by the Representation Commission after each population census. The number of electorates can change as the population increases or decreases.

The Māori electoral option follows every census and gives people of Māori descent the opportunity to choose whether to be on the Māori, or the general, electoral roll. Once electors have chosen which roll to be on, they cannot change until the next Māori electoral option takes place.

The New Zealand electoral system is set out in the Electoral Act 1993. This Act is the only statute in New Zealand with entrenched provisions. This means that either 75 percent of MPs, or a majority of voters in a referendum of all registered voters, must agree to make changes to these provisions.

Normally, a simple majority of MPs is all that is required to make changes to legislation.

Parliament

Parliament and the House of Representatives

The power to make laws lies at the heart of New Zealand's parliamentary system. This power is vested in the Parliament of New Zealand by the Constitution Act 1986.

Parliament consists of the Crown (normally represented by the governor-general) and an elected House of Representatives. The principal functions of the House of Representatives are to pass laws, to supervise the government's administration, to vote for the supply of funds, to provide a government, and to represent the people.

The Constitution Act 1986 forbids the Crown from taxing citizens without express parliamentary approval. Under the Standing Orders (rules for the conduct of proceedings in the House of Representatives and for using powers possessed by the House), individual members are also able to make proposals involving expenditure or taxation. However, the government has an absolute right to veto such proposals if they would have more than a minor impact on the government's finances.

A session of Parliament is the period during which the House of Representatives sits, usually the full parliamentary term of three years. The House meets after an election in answer to a summons from the governor-general. Parliament's sessions have a formal opening, when the government's legislative programme is described in the Speech from the Throne, read by the governor-general in the absence of the Sovereign. A session usually finishes with the governor-general bringing Parliament to an end before a general election.

The prime minister's statement at the start of a calendar year reviews public affairs, and outlines the government's legislative and other policy intentions for the year ahead.

The speaker of the House of Representatives, elected by MPs, is its principal presiding officer. The speaker maintains order in proceedings and ensures the Standing Orders are complied with. The speaker is assisted by the clerk of the House of Representatives, who records all proceedings of the House and of any committee, and provides advice on parliamentary law and procedure.

At the beginning of each new Parliament, the speaker is confirmed in his or her office by the governor-general. The speaker then lays claim to the privileges of the House – particularly freedom of speech in debate, free access to the governor-general, and that the most favourable meaning may be put on all the House's proceedings.

Salaries and allowances of parliamentarians are set by the Remuneration Authority and are shown in table 3.04.

Role of parties Until 1993, under the first past the post (FPP) system of electoral representation, the House of Representatives was characterised by the presence of two large dominant parties, with the majority party forming the government and the minority party the opposition. This has given way to multi-party representation under the mixed member proportional (MMP) system of electoral representation, which was adopted after two referendums, one indicative (1992) and one binding (1993).

The five general elections held since 1996 have shown that under MMP it is less likely that a single party can command an absolute majority in the House and form a government on its own account. In these circumstances a government is formed by a formal coalition of parties, or by a party securing agreements or understandings with other parties that allow it to govern.

Party representation The New Zealand National Party forms the current Government, with confidence and supply agreements with ACT New Zealand, the Māori Party, and United Future. These parties have members who are ministers outside the Cabinet.

Members of the 49th Parliament were sworn in by the clerk of the House, and a new speaker of the House was elected, after the session was opened by Her Majesty's commissioners (the chief justice as chief commissioner and two other judges) on 8 December 2008.

Table 3.04

Parliamentary salaries and allowances	
Position	Yearly salary payable from 1 July 2009 (\$)
Members of the executive	
Prime minister	393,000
Deputy prime minister	276,700
Cabinet minister	243,700
Minister with portfolio outside Cabinet	204,300
Minister without portfolio	176,900
Parliamentary under-secretary	157,000
Officers of the House of Representatives	
Speaker of the House of Representatives	243,700
Deputy speaker	169,900
Assistant speaker	144,500
Chairperson of a select committee	144,500
Deputy chairperson of a select committee	135,300
Leaders of non-government parties	
Leader of the opposition	243,700
Other party leaders (depending on number of MPs)	144,500 +
Deputy leader of party with 25 MPs or more (depending on number of MPs)	167,450 +
Whips	
Senior government whip (depending on number of MPs)	148,800 +
Other whips (depending on number of MPs)	144,500 +
Junior whip of party with 25 MPs or more	144,500
Other members of Parliament	
Member of Parliament	131,000
Expenses allowance	
Prime minister	19,700
Speaker	18,400
Other members of Parliament	14,800

Source: Remuneration Authority

Image removed due to copyright issues

Speaker of the House of Representatives

The speaker is elected by the House of Representatives at the opening sitting of each Parliament and normally holds office until that Parliament is dissolved.

Table 3.05

Speakers of the House of Representatives		
Speaker	Political party	Term(s)
Sir Charles Clifford	...	1854–60
Sir David Monro	...	1861–70
Sir Francis Dillon Bell	...	1871–75
Sir William Fitzherbert	...	1876–79
Sir George O'Rorke	...	1879–90
William Steward	Liberal	1891–93
Sir George O'Rorke	Liberal	1894–1902
Sir Arthur Guinness ⁽¹⁾	Liberal	1903–13
Sir Frederic William Lang	Reform	1913–22
Sir Charles Statham	Independent	1923–35
William Barnard	Labour	1936–43
Frederick William Schramm	Labour	1944–46
Robert McKeen	Labour	1947–49
Sir Matthew Oram	National	1950–57
Robert Macfarlane	Labour	1958–60
Sir Ronald Algie	National	1961–66
Sir Roy Jack	National	1967–72
Alfred Allen	National	1972
Stanley Whitehead	Labour	1973–75
Jonathan Hunt (acting)	Labour	1975
Sir Roy Jack ⁽¹⁾	National	1976–77
Richard Harrison (acting)	National	1977
Sir Richard Harrison	National	1978–84
Sir Basil Arthur ⁽¹⁾	Labour	1984–85
Sir Gerry Wall	Labour	1985–87
Sir Kerry Burke	Labour	1987–90
Robin Gray	National	1990–93
Hon Peter Tapsell ⁽²⁾	Labour ⁽³⁾	1993–96
Hon Doug Kidd ⁽²⁾	National	1997–99
Rt Hon Jonathan Hunt	Labour	1999–2005
Hon Margaret Wilson ⁽²⁾	Labour	2005–09
Hon Dr Lockwood Smith ⁽²⁾	National	2008–

(1) Died in office. (2) 'Hon' before elected speaker. (3) During National Party administration.

Note: The title Honourable was granted to speakers in 1856. Other titles are shown only if they were held while the individual was in office as speaker. Dates shown include the period between dissolution and the start of the next Parliament if the speaker held office in successive Parliaments.

Symbol: ... not applicable

Source: Office of the Clerk of the House of Representatives

The New Zealand Herald

Mangere's member of Parliament Su'a William Sio gave his oath of allegiance in both Samoan and English at Parliament's opening on 8 December 2008. He was one of 122 MPs sworn in, 33 of whom were new to Parliament.

The House of Representatives elected in 2008 (the fifth elected under MMP) consisted of:

- National – 58 seats (41 electorate, 17 party list)
- Labour – 43 seats (21 electorate, 22 party list)
- Green – 9 seats (9 party list)
- Māori – 5 seats (5 electorate)
- United Future – 1 seat (1 electorate)
- ACT New Zealand – 5 seats (1 electorate, 4 party list)
- Progressive – 1 seat (1 electorate).

An overhang of two seats, making a total of 122 MPs, resulted from the Māori Party winning more electorate seats than was representative of its share of all party votes.

Table 3.06 lists members of the 49th Parliament's House of Representatives, the party they belong to, and whether they are electorate or list members.

Table 3.06

House of Representatives, 49th Parliament		
Prime minister	Hon John Key	
Leader of the opposition	Hon Phil Goff	
Speaker	Hon Dr Lockwood Smith	
Deputy speaker	Lindsay Tisch	
Clerk of the House	Mary Harris	
Member ⁽¹⁾	Electorate/list	Party
Adams, Amy	Selwyn	National
Anderton, Hon Jim	Wigram	Progressive
Ardern, Jacinda	List	Labour
Ardern, Shane	Taranaki-King Country	National
Auchinvole, Chris	West Coast-Tasman	National
Bakshi, Kanwaljit Singh	List	National
Barker, Hon Rick	List	Labour
Beaumont, Carol	List	Labour
Bennett, David	Hamilton East	National
Bennett, Hon Paula	Waitakere	National
Blue, Dr Jackie	List	National
Borrows, Chester	Whanganui	National
Boscawen, John	List	ACT New Zealand
Bradford, Sue ⁽²⁾	List	Green
Bridges, Simon	Tauranga	National
Brownlee, Hon Gerry	Ilam	National
Burns, Brendon	Christchurch Central	Labour
Calder, Dr Cam ⁽³⁾	List	National
Carter, Hon Chris	Te Atatū	Labour
Carter, Hon David	List	National
Carter, Hon John	Northland	National
Chadwick, Hon Steve	List	Labour
Chauvel, Charles	List	Labour
Choudhary, Dr Ashraf	List	Labour
Clark, Rt Hon Helen ⁽⁴⁾	Mt Albert	Labour
Clendon, David ⁽⁵⁾	List	Green
Coleman, Hon Dr Jonathan	Northcote	National
Collins, Hon Judith	Papakura	National
Cosgrove, Hon Clayton	Waimakariri	Labour
Cullen, Hon Dr Michael ⁽⁶⁾	List	Labour
Cunliffe, Hon David	New Lynn	Labour
Curran, Clare	Dunedin South	Labour
Dalziel, Hon Lianne	Christchurch East	Labour
Davis, Kelvin	List	Labour
Dean, Jacqui	Waitaki	National
Delahunty, Catherine	List	Green
Douglas, Hon Sir Roger	List	ACT New Zealand
Dunne, Hon Peter	Ōhāriu	United Future
Dyson, Hon Ruth	Port Hills	Labour
English, Hon Bill	Clutha-Southland	National
Fenton, Darien	List	Labour
Finlayson, Hon Christopher	List	National
Fitzsimons, Jeanette ⁽⁷⁾	List	Green
Flavell, Te Ururoa	Waiariki	Māori
Foss, Craig	Tukituki	National
Garrett, David	List	ACT New Zealand
Gilmore, Aaron	List	National
Goff, Hon Phil	Mt Roskill	Labour
Goodhew, Jo	Rangitata	National
Goudie, Sandra	Coromandel	National
Graham, Dr Kennedy	List	Green
Groser, Hon Tim	List	National
Guy, Hon Nathan	Ōtaki	National
Hague, Kevin	List	Green

Note: For footnotes see end of table.

Member ⁽¹⁾	Electorate/list	Party
Harawira, Hone	Te Tai Tokerau	Māori
Hawkins, Hon George	Manurewa	Labour
Hayes, John	Wairarapa	National
Heatley, Hon Phil	Whangarei	National
Henare, Hon Tau	List	National
Hide, Hon Rodney	Epsom	ACT New Zealand
Hipkins, Chris	Rimutaka	Labour
Hodgson, Hon Pete	Dunedin North	Labour
Horomia, Hon Parekura	Ikaroa/Rāwhiti	Labour
Hughes, Hon Darren	List	Labour
Hughes, Gareth ⁽²⁾	List	Green
Huo, Raymond	List	Labour
Hutchison, Dr Paul	Hunua	National
Jones, Hon Shane	List	Labour
Joyce, Hon Steven	List	National
Katene, Rahui	Te Tai Tonga	Māori
Kaye, Nikki	Auckland Central	National
Kedgley, Sue	List	Green
Key, Hon John	Helensville	National
King, Hon Annette	Rongotai	Labour
King, Colin	Kaikōura	National
Laban, Hon Luamanuava Winnie	Mana	Labour
Lee, Melissa	List	National
Lees-Galloway, Iain	Palmerston North	Labour
Locke, Keith	List	Green
Lotu-Iiga, Peseta Sam	Maungakiekie	National
Macindoe, Tim	Hamilton West	National
Mackey, Moana	List	Labour
Mahuta, Hon Nanaia	Hauraki-Waikato	Labour
Mallard, Hon Trevor	Hutt South	Labour
Mapp, Hon Dr Wayne	North Shore	National
McClay, Todd	Rotorua	National
McCully, Hon Murray	East Coast Bays	National
Moroney, Sue	List	Labour
Nash, Stuart	List	Labour
Norman, Dr Russell	List	Green
O'Connor, Hon Damien ⁽⁸⁾	List	Labour
Parata, Hekia	List	National
Parker, Hon David	List	Labour
Peachey, Allan	Tāmaki	National
Pillay, Lynne	List	Labour
Power, Hon Simon	Rangitikei	National
Prasad, Dr Rajen	List	Labour
Quinn, Paul	List	National
Ririnui, Hon Mita	List	Labour
Robertson, Grant	Wellington Central	Labour
Robertson, Ross	Manukau East	Labour
Roy, Eric	Invercargill	National
Roy, Hon Heather	List	ACT New Zealand
Ryall, Hon Tony	Bay of Plenty	National
Sepuloni, Carmel	List	Labour
Shanks, Katrina	List	National
Sharples, Hon Dr Pita	Tāmaki Makaurau	Māori
Shearer, David ⁽⁹⁾	Mt Albert	Labour
Sio, Su'a William	Māngere	Labour
Smith, Hon Dr Lockwood	Rodney	National
Smith, Hon Dr Nick	Nelson	National
Street, Hon Maryan	List	Labour
te Heuheu, Hon Georgina	List	National
Tisch, Lindsay	Waikato	National
Tolley, Hon Anne	East Coast	National
Tremain, Chris	Napier	National
Turei, Metiria	List	Green
Turia, Hon Tariana	Te Tai Hauāuru	Māori
Twyford, Phil	List	Labour
Upston, Louise	Taupō	National
Wagner, Nicky	List	National
Wilkinson, Hon Kate	List	National
Williamson, Hon Maurice	Pakuranga	National
Wong, Hon Pansy	Botany	National
Worth, Dr Richard ⁽¹⁰⁾	List	National
Woodhouse, Michael	List	National
Young, Jonathan	New Plymouth	National

(1) Names are given by which individual members prefer to be addressed. (2) Sue Bradford resigned 25 September 2009. (3) Dr Cam Calder sworn in 17 June 2009. He replaced Dr Richard Worth. (4) Rt Hon Helen Clark resigned 18 April 2009. (5) David Clendon replaced Sue Bradford. He was sworn in 3 November 2009. (6) Hon Dr Michael Cullen resigned 30 April 2009. (7) Jeanette Fitzsimons resigned 12 February 2010 and was replaced by Gareth Hughes. (8) Hon Damien O'Connor replaced Hon Dr Michael Cullen. He was sworn in 5 May 2009. (9) David Shearer won by-election in Mt Albert, following Rt Hon Helen Clark's resignation. He was sworn in 21 July 2009. (10) Dr Richard Worth resigned 16 June 2009.

Source: Office of the Clerk of the House of Representatives

Legislative procedure The legislative procedure in New Zealand starts when proposed laws are presented to the House in the form of draft laws, or 'bills'. The classes of bills are:

- Government bills – introduced by ministers and dealing with matters of public policy
- Members' bills – introduced by MPs who are not ministers and dealing with matters of public policy
- Local bills – promoted by local authorities to give them special powers, or to validate actions they may have taken, and which affect particular localities
- Private bills – promoted by individuals or bodies (such as companies or trusts) for their particular interest or benefit.

All types of bills follow a similar procedure in the House, with every bill being required to be 'read' three times. A local bill or a private bill must also comply with prescribed preliminary procedures, which include advertising the bill before it is introduced into the House. Only four members' bills may be introduced and proceed to first reading at any one time. These are chosen by ballot.

Under the Standing Orders, the leader of the House informs the clerk of the House that the government intends to introduce a government bill. A member's bill or a local bill is introduced after notice has been given and announced to the House. A private bill is introduced by presenting a petition for the bill to the House. All bills are set down for first reading after they are introduced.

Debate on the first reading is limited to 12 speeches of up to 10 minutes in the case of a government bill. For a member's, private, or local bill there may be two 10-minute speeches and eight 5-minute speeches, with the member in charge having a 5-minute right of reply.

After its first reading, a bill is referred to a select committee of the House for consideration, unless it is an appropriation bill, an imprest supply bill, or a bill that has been accorded urgency for its passing. Having a select committee consider a bill provides an opportunity for the public and interested bodies to make submissions. Select committees also scrutinise estimates, financial reviews, and petitions, and may undertake inquiries, relevant to each committee's subject area. A select committee must finally report to the House of Representatives on a bill within six months of the bill being referred to it (unless the House sets a different reporting deadline, or the Business Committee grants an extension). When a select committee recommends amendments to a bill in its report, it must distinguish between those adopted unanimously by the committee and those adopted by a majority. After the select committee's report is presented, the bill is set down for its second reading.

The second reading of a bill involves debate on the principles and objects of the bill. At the debate's conclusion, the House decides whether to accept the amendments that a majority in

MMP brings greater diversity

New Zealand's current system of electoral representation – mixed member proportional (MMP) – ensures the representation of political parties in Parliament is proportional to the share of the votes each party receives from New Zealand's 2.4 million voters. Since the introduction of MMP, the diversity of the population as a whole – in terms of demographic characteristics such as gender, ethnicity, and age – has been better reflected in the New Zealand

Parliament. This is because MMP allows more parties to achieve parliamentary representation and those parties have selected candidates that appeal to voters because they are younger, female, or from more ethnically diverse backgrounds.

Under first past the post (FPP) elections from 1938 to 1993, Parliament was dominated by two large political parties – Labour and National. Indeed, these two parties

were the only two parties to win seats in 13 of the 19 elections held over this period. By contrast, minor parties have won seats in all five MMP elections to date, with seven parties, on average, being represented in Parliament since 1996.

Under MMP the number of women in Parliament has increased markedly. A record 41 women MPs were elected in 2008. At 34 percent of MPs, this is the highest proportion ever in any New Zealand Parliament. On average, just 7 percent of MPs were women under FPP elections from 1938 to 1993.

The ethnic diversity of Parliament has also increased significantly since the advent of MMP. The 2008 Parliament has 20 MPs who self-identify as being of Māori ethnicity. At 16 percent of MPs, the proportion is similar to that of Māori in the population as a whole. The number of MPs of Pacific ethnicity has increased from one in 1993 to five in 2008, while the number with Asian ethnicity has increased from one in 1996 to six in 2008.

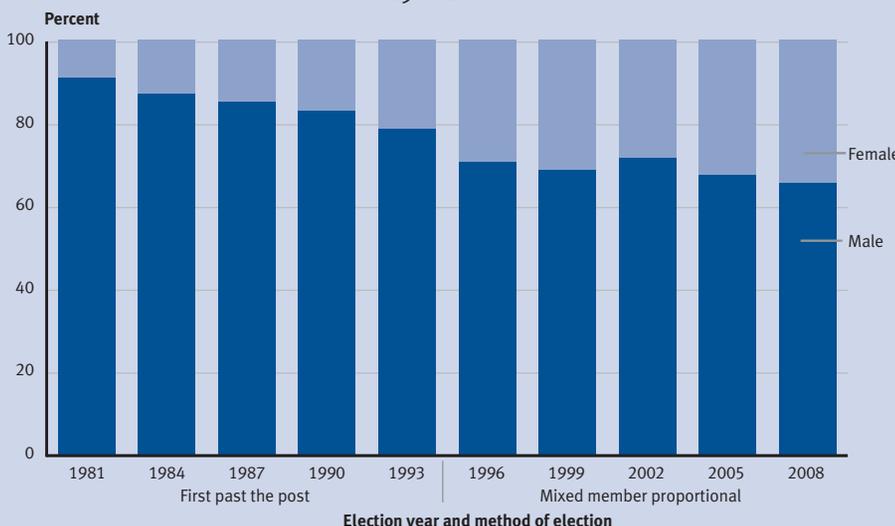
The New Zealand Parliament is also increasingly diverse in terms of age. The youngest MP is 29 years old – the oldest, 73 years. The proportion of MPs aged under 40 increased from 13 percent in 2005 to nearly 20 percent in 2008.

A referendum will be held in 2011 to ask voters if they wish to retain the present MMP voting system, and secondly, what alternative voting system they would prefer from a list of four options. If a majority of voters opts for a change to the system, a second, binding referendum will be held in 2014, asking voters to choose between MMP and the most preferred alternative.

Source: Parliamentary Library

Sex of members of Parliament

1981–2008



the select committee recommended. (Unanimous recommendations are automatically accepted when a bill passes its second reading.) The House then votes on whether the bill should be read a second time.

The bill is usually then considered by the committee of the whole House (a committee of all MPs – effectively the House meeting with slightly different procedures to allow business to be considered in detail). Most bills are considered part by part and may be amended. Once a bill has been fully considered by the committee, it is reported to the House with any amendments. The bill is then set down for a third reading.

Debate on the third reading is limited to 12 speeches of 10 minutes each. At its third reading, the bill is voted on for the final time. A bill that is passed by the House is forwarded to the governor-general for the Royal Assent. The bill then becomes an Act of Parliament and part of the law of New Zealand.

Table 3.07

Premiers and prime ministers of New Zealand		
Premier/Prime minister ⁽¹⁾	Political party	Term(s) of office
Premiers		
Henry Sewell	...	7 May 1856–20 May 1856
William Fox	...	20 May 1856–2 Jun 1856
Edward William Stafford	...	2 Jun 1856–12 Jul 1861
William Fox	...	12 Jul 1861–6 Aug 1862
Alfred Domett	...	6 Aug 1862–30 Oct 1863
Frederick Whitaker, MLC	...	30 Oct 1863–24 Nov 1864
Frederick Aloysius Weld	...	24 Nov 1864–16 Oct 1865
Edward William Stafford	...	16 Oct 1865–28 Jun 1869
William Fox	...	28 Jun 1869–10 Sep 1872
Edward William Stafford	...	10 Sep 1872–11 Oct 1872
George Marsden Waterhouse, MLC	...	11 Oct 1872–3 Mar 1873
William Fox	...	3 Mar 1873–8 Apr 1873
Sir Julius Vogel, KCMG	...	8 Apr 1873–6 Jul 1875
Daniel Pollen, MLC	...	6 Jul 1875–15 Feb 1876
Sir Julius Vogel, KCMG	...	15 Feb 1876–1 Sep 1876
Sir Harry Albert Atkinson, KCMG	...	1 Sep 1876–13 Oct 1877
Sir George Grey, KCB	...	13 Oct 1877–8 Oct 1879
John Hall	...	8 Oct 1879–21 Apr 1882
Frederick Whitaker, MLC	...	21 Apr 1882–25 Sep 1883
Sir Harry Albert Atkinson, KCMG	...	25 Sep 1883–16 Aug 1884
Sir Robert Stout, KCMG	...	16 Aug 1884–28 Aug 1884
Sir Harry Albert Atkinson, KCMG	...	28 Aug 1884–3 Sep 1884
Sir Robert Stout, KCMG	...	3 Sep 1884–8 Oct 1887
Sir Harry Albert Atkinson, KCMG	...	8 Oct 1887–24 Jan 1891
John Ballance	Liberal	24 Jan 1891–d 27 Apr 1893
Rt Hon Richard John Seddon	Liberal	1 May 1893–d 10 Jun 1906
Prime ministers		
William Hall-Jones	Liberal	21 Jun 1906–6 Aug 1906
Rt Hon Sir Joseph George Ward, Bt, KCMG	Liberal	6 Aug 1906–28 Mar 1912
Thomas Mackenzie	Liberal	28 Mar 1912–10 Jul 1912
Rt Hon William Ferguson Massey	Reform	10 Jul 1912–10 May 1925
Sir Francis Henry Dillon Bell, GCMG, KC, MLC	Reform	14 May 1925–30 May 1925
Rt Hon Joseph Gordon Coates, MC	Reform	30 May 1925–10 Dec 1928
Rt Hon Sir Joseph George Ward, Bt, KCMG	United	10 Dec 1928–28 May 1930
Rt Hon George William Forbes	United	28 May 1930–22 Sep 1931
	Coalition	22 Sep 1931–6 Dec 1935
Rt Hon Michael Joseph Savage	Labour	6 Dec 1935–d 27 Mar 1940
Rt Hon Peter Fraser, CH	Labour	1 Apr 1940–13 Dec 1949
Rt Hon Sidney George Holland, CH	National	13 Dec 1949–20 Sep 1957
Rt Hon Sir Keith Jacka Holyoake, GCMG, CH	National	20 Sep 1957–12 Dec 1957
Rt Hon Walter Nash, CH	Labour	12 Dec 1957–12 Dec 1960
Rt Hon Sir Keith Jacka Holyoake, GCMG, CH	National	12 Dec 1960–7 Feb 1972
Rt Hon John Ross Marshall	National	7 Feb 1972–8 Dec 1972
Rt Hon Norman Eric Kirk	Labour	8 Dec 1972–d 31 Aug 1974
Rt Hon Wallace Edward Rowling	Labour	6 Sep 1974–12 Dec 1975
Rt Hon Sir Robert David Muldoon, GCMG, CH	National	12 Dec 1975–26 Jul 1984
Rt Hon David Russell Lange	Labour	26 Jul 1984–8 Aug 1989
Rt Hon Geoffrey Winston Russell Palmer	Labour	8 Aug 1989–4 Sep 1990
Rt Hon Michael Kenneth Moore	Labour	4 Sep 1990–2 Nov 1990
Rt Hon James Brendan Bolger	National	2 Nov 1990–12 Oct 1996
	Coalition	12 Oct 1996–8 Dec 1997
Rt Hon Jennifer Mary Shipley	Coalition	8 Dec 1997–10 Dec 1999
Rt Hon Helen Elizabeth Clark	Labour/Alliance	10 Dec 1999–15 Aug 2002
	Labour/Progressive	15 Aug 2002–11 Aug 2005
	Labour/Progressive	19 Oct 2005–19 Nov 2008
Hon John Phillip Key	National	19 Nov 2008–

(1) Honours are specified only if held on retirement from office.

Symbol: ... not applicable

Source: Cabinet Office

The Hon John Key

Image removed due to copyright issues

John Key, New Zealand's Prime Minister.

Mr Key was born in Auckland but moved to Christchurch when a child. He was educated at Burnside High School and then gained a commerce degree from the University of Canterbury.

Mr Key began an investment banking career in the mid-1980s. After 10 years in the New Zealand market he headed offshore, working in Singapore, London, and Sydney for United States investment banking giant Merrill Lynch. During that time he was in charge of business units that included global foreign exchange, and European bond and derivative trading.

In 1999, Mr Key was invited to join the Foreign Exchange Committee of the Federal Reserve Bank of New York. He undertook management studies at Harvard University.

In 2001, he headed back to New Zealand to fulfil a long-held ambition to stand for Parliament for the National Party. He won the Helensville seat in 2002 with a majority of 1,589.

Mr Key rose through the ranks of the party, becoming deputy finance spokesman and then finance spokesman before the 2005 election. At this election he again won the Helensville seat, this time with a majority of 12,778. He continued to be the party's finance spokesman and was ranked fourth in his party before being elected leader in November 2006.

In the November 2008 general election, Mr Key secured his position as Member of Parliament for Helensville with an 18,562 vote majority. Following this election, as the leader of the National-led Government, Mr Key became prime minister.

Mr Key is married to Bronagh and has two children. When he has spare time he likes to spend it with his family, cooking, playing golf, and watching rugby.

Source: Office of the Prime Minister

Executive government

The executive functions of government in New Zealand are carried out by ministers of the Crown. All ministers are members of the Executive Council, and most ministers are members of Cabinet. By constitutional convention, ministers are responsible to the House of Representatives for their official actions, and are required by the Constitution Act 1986 to be a Member of Parliament (MP).

New Zealand's head of state, Queen Elizabeth II, has delegated her executive authority to the governor-general, who is her representative in New Zealand. The governor-general presides over the Executive Council but is not a member.

Under New Zealand's proportional representation electoral system (MMP), it is likely that following an election, two or more parties will negotiate coalition or support agreements to form a government that can command the support of a majority in the House of Representatives. The governor-general will appoint as prime minister the person that politicians have decided will lead the government.

On the advice of the prime minister, the governor-general appoints a number of MPs as members of the Executive Council and as ministers. Ministers are generally responsible for certain areas of government administration (portfolios).

Cabinet and the Executive Council

The Cabinet and the Executive Council have separate functions. The Executive Council is a formal body with formal functions, whereas Cabinet is an informal body with deliberative functions. All ministers are members of the Executive Council, but not all ministers are members of Cabinet.

The Cabinet is the central decision-making body of executive government. It is the main way that major policy issues, legislative proposals, and government appointments are considered and decided on. It also coordinates the work of ministers.

The Cabinet committees examine subjects in detail before they are considered by the full Cabinet.

Proceedings of Cabinet are informal and confidential, and decisions are usually made by consensus. Members of Cabinet accept collective responsibility for decisions. This convention ensures that decisions are supported publicly by all members of Cabinet.

Orders in council are regulations made by the governor-general on the advice and with the consent of the Executive Council. They are the main vehicles for law-making by the executive. In particular, authority to make statutory regulations is delegated by Parliament to the governor-general. The governor-general takes formal actions, such as making regulations or significant appointments, following a recommendation offered by a minister, and consented to by the Executive Council.

The Cabinet Office provides support services for the Cabinet and its committees. The secretary of the Cabinet is also clerk of the Executive Council.

The makeup of the Executive Council at 8 April 2010 is shown in table 3.08.

Parliamentary elections

People 18 years and over have the right to vote in New Zealand's parliamentary elections. Enrolment as an elector is compulsory, but voting is not. To qualify for enrolment a person must:

- be at least 18 years old
- be a New Zealand citizen or permanent resident
- have lived continuously in New Zealand for at least a year at some time
- have lived continuously for one month or more in the electorate in which they want to enrol.

Māori and people of Māori descent may choose to enrol for either a Māori, or a general electorate, but may make the choice only at certain times. Māori may choose the first time they enrol, or at the five-yearly Māori electoral option exercise. The most recent Māori electoral option was in 2006.

Electoral rolls are maintained by the Electoral Enrolment Centre, part of New Zealand Post.

The Chief Electoral Office, part of the Ministry of Justice, is responsible for conducting parliamentary elections and referendums.

Returning officers are responsible for arranging voting facilities and staff, and conducting elections in their electorates. In an election year, a returning officer is appointed for each electorate.

Only people enrolled before an election are qualified to vote. Voting is by secret ballot. Most electors cast their vote at a polling place in their electorate on polling day, but they may cast a special vote at a polling place outside their electorate if necessary.

Electors can also vote at an advance voting place or by post if they are unable to attend a polling place on election day due to illness, or if they will be travelling outside their electorate, or because of their religious beliefs.

Table 3.08

New Zealand Executive Council

At 8 April 2010

Governor-general

His Excellency the Honourable Sir Anand Satyanand GNZM, QSO

Executive Council

The Executive Council comprises all ministers. The governor-general presides over meetings of the Executive Council, unless he or she is unavailable.

The Cabinet

1. Hon John Key, Prime Minister, Minister of Tourism, Minister Responsible for Ministerial Services, Minister in Charge of the New Zealand Security Intelligence Service, Minister Responsible for the Government Communications Security Bureau
2. Hon Bill English, Deputy Prime Minister, Minister of Finance, Minister for Infrastructure
3. Hon Gerry Brownlee, Minister for Economic Development, Minister of Energy and Resources, Leader of the House, Associate Minister for the Rugby World Cup
4. Hon Simon Power, Minister of Justice, Minister for State Owned Enterprises, Minister of Commerce, Minister Responsible for the Law Commission, Associate Minister of Finance, Deputy Leader of the House
5. Hon Tony Ryall, Minister of Health, Minister of State Services
6. Hon Dr Nick Smith, Minister for the Environment, Minister for Climate Change Issues, Minister for Accident Compensation Corporation
7. Hon Judith Collins, Minister of Police, Minister of Corrections, Minister of Veterans' Affairs
8. Hon Anne Tolley, Minister of Education, Minister Responsible for the Education Review Office
9. Hon Christopher Finlayson, Attorney-General, Minister for Treaty of Waitangi Negotiations, Minister for Arts, Culture and Heritage
10. Hon David Carter, Minister of Agriculture, Minister for Biosecurity, Minister of Forestry
11. Hon Murray McCully, Minister of Foreign Affairs, Minister for Sport and Recreation, Minister for the Rugby World Cup
12. Hon Tim Groser, Minister of Trade, Minister Responsible for International Climate Change Negotiations, Associate Minister of Foreign Affairs
13. Hon Dr Wayne Mapp, Minister of Defence, Minister of Research, Science and Technology, Associate Minister for Economic Development, Associate Minister for Tertiary Education
14. Hon Steven Joyce, Minister of Transport, Minister for Communications and Information Technology, Minister for Tertiary Education, Associate Minister of Finance, Associate Minister for Infrastructure
15. Hon Georgina te Heuheu, Minister for Courts, Minister of Pacific Island Affairs, Minister for Disarmament and Arms Control, Associate Minister of Māori Affairs
16. Hon Paula Bennett, Minister for Social Development and Employment, Minister of Youth Affairs
17. Hon Phil Heatley, Minister of Fisheries and Aquaculture, Minister of Housing
18. Hon Pansy Wong, Minister for Ethnic Affairs, Minister of Women's Affairs, Associate Minister for Accident Compensation Corporation, Associate Minister for Disability Issues, Associate Minister of Energy and Resources
19. Hon Dr Jonathan Coleman, Minister of Immigration, Minister of Broadcasting, Associate Minister of Tourism, Associate Minister of Health
20. Hon Kate Wilkinson, Minister of Conservation, Minister of Labour, Minister for Food Safety, Associate Minister of Immigration

Ministers outside Cabinet

21. Hon Maurice Williamson, Minister for Building and Construction, Minister of Customs, Minister for Land Information, Minister of Statistics, Minister for Small Business
22. Hon John Carter, Minister of Civil Defence, Minister for Senior Citizens, Minister for Racing, Associate Minister of Local Government
23. Hon Nathan Guy, Minister of Internal Affairs, Minister Responsible for Archives New Zealand, Minister Responsible for the National Library, Associate Minister of Justice, Associate Minister of Transport

Support party ministers

Hon Rodney Hide, Minister of Local Government, Minister for Regulatory Reform, Associate Minister of Commerce
 Hon Heather Roy, Minister of Consumer Affairs, Associate Minister of Defence, Associate Minister of Education
 Hon Dr Pita Sharples, Minister of Māori Affairs, Associate Minister of Corrections, Associate Minister of Education
 Hon Tariana Turia, Minister for the Community and Voluntary Sector, Minister for Disability Issues, Minister Responsible for Whānau Ora, Associate Minister of Health, Associate Minister for Social Development and Employment
 Hon Peter Dunne, Minister of Revenue, Associate Minister of Health

Symbol: ... not applicable

Source: Cabinet Office

Voters overseas can cast their vote by downloading their voting papers from the Internet and faxing or posting them back to New Zealand. Overseas voters can also apply for postal voting papers or vote at an overseas post.

A preliminary count of ordinary votes is available for each electorate on election night, and final results are normally available a fortnight later, once special and overseas votes have been counted.

Voting patterns in recent general elections are shown in table 3.09 (overleaf).

There were 2,990,759 electors on the master roll for the 2008 General Election. A total of 2,376,480 votes were cast, representing a turnout of 79.46 percent. This was a decrease on the 2005 election, where turnout was 80.92 percent. The highest turnout in recent elections was 93.71 percent in 1984.

Figure 3.01 (overleaf) shows the percentage of enrolled voters voting in general elections.

Table 3.09

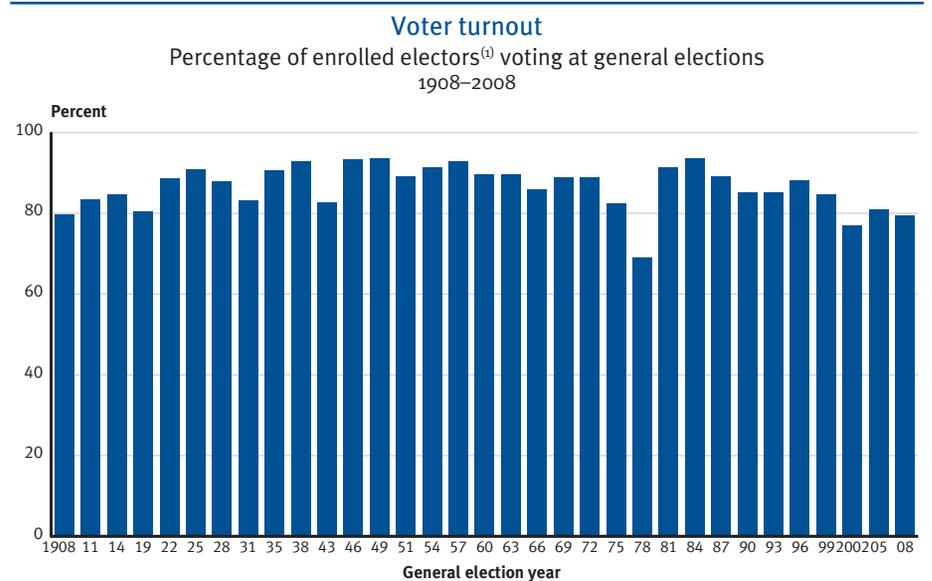
Voting patterns 1981–2008						
Year	Vote type	Electors on master roll	Valid votes	Informal votes ⁽¹⁾	Special votes disallowed ⁽²⁾	Percentage of electors who voted
1981	...	2,034,747	1,801,303	8,998	50,263	91.4
1984	...	2,111,651	1,929,201	7,565	42,032	93.7
1987	...	2,114,656	1,831,777	11,184	40,433	89.1
1990	...	2,202,157	1,824,092	10,180	42,843	85.2
1993	...	2,321,664	1,922,796	11,364	43,932	85.2
1996	party	2,418,587	2,072,359	8,183	54,633	88.3
	electorate	...	2,061,746	18,796	..	..
1999	party	2,509,365	2,065,494	19,887	41,884	84.8
	electorate	...	2,047,473	37,908	..	..
2002	party	2,670,030	2,031,617	8,631	15,156	77.0
	electorate	...	1,995,586	26,529	33,289	..
2005	party	2,847,396	2,275,629	10,561	17,815	80.9
	electorate	...	2,235,869	24,801	43,335	..
2008	party	2,990,759	2,344,566	11,970	19,517	79.5
	electorate	...	2,300,266	25,332	50,455	..

(1) A vote that doesn't clearly indicate the voter's intention. (2) Because they voted in the wrong electorate, 25,520 voters in 2005 and 30,938 voters in 2008 had their electorate votes disallowed, but their party vote allowed.

Symbols: .. figure not available ... not applicable

Source: Chief Electoral Office

Figure 3.01



(1) Excludes Māori population before 1951.

Source: Chief Electoral Office

Electoral boundaries

The boundaries of electorates are revised every five years, based on electoral population figures from the Census of Population and Dwellings. The new boundaries come into effect at the end of the parliamentary term during which the revision is finalised.

Electoral boundaries are defined by the Representation Commission, which consists of a chairperson, four officials (the surveyor-general, the government statistician, the chief electoral officer, and the chairperson of the local government commission) and two members nominated by Parliament to represent the government and the opposition.

When determining boundaries for Māori electoral districts, the commission is joined by the chief executive officer of Te Puni Kōkiri (Ministry of Māori Development), and two Māori representatives nominated by Parliament to represent the government and the opposition. After proposed boundaries have been drawn up and published, objections and counter-objections are considered by the commission, which then makes a decision on final boundaries.

Under the Electoral Act 1993, the South Island is allocated 16 general electorates. The number of general electorates for the North Island and the number of Māori electorates are then calculated so that their electoral populations are approximately the same as those for South Island general electorates.

The commission is required to consider community relationships, communication facilities, topographical features, and any projected variation in the general electoral population of the electorates when determining boundaries.

Enrol to vote!

Image removed due to copyright issues

Tens of thousands of young people make a difference because they're enrolled to vote – but there are also thousands who lose out.

If you're 18, a New Zealand citizen or permanent resident, and have lived in New Zealand continuously for one year or more you must enrol to vote.

Many people even pre-register when they are 17 – they're automatically enrolled once they hit their 18th birthday. But on average, around one in four young adults who can enrol, haven't done it.

Every vote counts. Young people are encouraged not to leave it to others to make the decisions.

A general election, a chance to vote on who runs the country, will be held in 2011, but everyone needs to be enrolled to take part.

In 2011, there will also be a chance to have a say on how we elect our politicians – a referendum on our voting system (MMP) is coming up as well.

Enrolling is easy – it can be done online at www.elections.org.nz or www.ivotenz.org.nz, or by texting your name and address to 3676 (for free) you'll get an enrolment form sent to you. Or you can get a form from freephone 0800 36 76 56 or from any PostShop.

Source: Chief Electoral Office

Image removed due to copyright issues

The Dominion Post

Student Amelia Fitchew casts an early vote for the 2008 General Election at Auckland University. People who will be away from their own electorate on election day can vote at an advance polling place.

State services

Public-service departments are those departments listed in schedule 1 of the State Sector Act 1988. At 30 September 2009, there were 35 public-service departments (these are called 'departments' in terms of the Act, irrespective of their individual label of department, ministry, or any other title):

- Archives New Zealand – www.archives.govt.nz
- Crown Law Office – www.crownlaw.govt.nz
- Department of Building and Housing – www.dbh.govt.nz
- Department of Conservation – www.doc.govt.nz
- Department of Corrections – www.corrections.govt.nz
- Department of Internal Affairs – www.dia.govt.nz
- Department of Labour – www.dol.govt.nz
- Department of the Prime Minister and Cabinet – www.dpmc.govt.nz
- Education Review Office – www.ero.govt.nz
- Government Communications Security Bureau – www.gcsb.govt.nz
- Inland Revenue Department – www.ird.govt.nz
- Land Information New Zealand – www.linz.govt.nz
- Ministry for Culture and Heritage – www.mch.govt.nz
- Ministry for the Environment – www.mfe.govt.nz
- Ministry of Agriculture and Forestry – www.maf.govt.nz
- Ministry of Defence – www.defence.govt.nz
- Ministry of Economic Development – www.med.govt.nz
- Ministry of Education – www.minedu.govt.nz
- Ministry of Fisheries – www.fish.govt.nz
- Ministry of Foreign Affairs and Trade – www.mfat.govt.nz
- Ministry of Health – www.moh.govt.nz
- Ministry of Justice – www.justice.govt.nz
- Ministry of Māori Development – www.tpk.govt.nz
- Ministry of Pacific Island Affairs – www.minpac.govt.nz
- Ministry of Research, Science and Technology – www.morst.govt.nz
- Ministry of Social Development – www.msd.govt.nz
- Ministry of Transport – www.transport.govt.nz
- Ministry of Women's Affairs – www.mwa.govt.nz
- National Library of New Zealand – www.natlib.govt.nz
- New Zealand Customs Service – www.customs.govt.nz
- New Zealand Food Safety Authority – www.nzfsa.govt.nz
- Serious Fraud Office – www.sfo.govt.nz

- State Services Commission – www.ssc.govt.nz
- Statistics New Zealand – www.stats.govt.nz
- The Treasury – www.treasury.govt.nz

At 30 June 2009 the number of full-time-equivalent staff employed in public service departments was 44,672, compared with 43,569 at 30 June 2008, and 42,047 at 30 June 2007. When reform of the state sector began in the 1980s, about 70,000 people were permanent employees in government departments. Many of these people shifted to Crown entities, state-owned enterprises, or the private sector. The public service today is characterised by relatively small departments, which have defined roles in policy advice, service delivery, and regulatory or funding functions. Some bigger departments perform a combination of roles.

Non-public-service departments are agencies which are departments in terms of the Public Finance Act 1989, but are not listed in schedule 1 of the State Sector Act 1988. Consequently they are not part of the public service. At 30 September 2009, there were four such departments in the executive branch of government:

- New Zealand Defence Force – www.nzdf.mil.nz
- New Zealand Police – www.police.govt.nz
- New Zealand Security Intelligence Service – www.nzsis.govt.nz
- Parliamentary Counsel Office – www.pco.parliament.govt.nz

Crown entities make up a significant part of the state services and include a wide variety of corporations, Crown companies, and subsidiaries. The Crown Entities Act 2004 provides for the governance and accountability of Crown entities, their operations, and reporting and financial obligations. At 30 September 2009, Crown entities in the state services included:

- 84 statutory entities – 47 Crown agents (including 21 district health boards), 22 autonomous Crown entities, and 15 independent Crown entities
- 12 Crown entity companies, including eight Crown research institutes
- approximately 200 Crown entity subsidiaries
- approximately 2,465 school boards of trustees.

Organisations listed in schedule 4 of the Public Finance Act 1989 are those agencies included in the state services for which the full governance, accountability, and reporting obligations of the Crown Entities Act 2004 would not be suitable. They include reserves boards, fish and game councils, and a small number of trusts and other organisations.

Reserve Bank of New Zealand is a stand-alone organisation included in the state services. It does not come under any other specific category or type of organisation within the state services.

Other state sector organisations

Non-state-service departments Two departments are considered to be outside the state services because their roles are supportive of the legislative branch of government, rather than of executive government. They are part of the state sector as departments under the Public Finance Act 1989:

- Office of the Clerk of the House of Representatives – www.clerk.parliament.govt.nz
- Parliamentary Service – www.ps.parliament.govt.nz

Offices of Parliament The Office of the Ombudsmen, the Office of the Controller and Auditor-General, and the Office of the Parliamentary Commissioner for the Environment are not part of the executive branch of government, as their primary function is to provide a check on executive use of power and resources.

Tertiary education institutions These institutions are one of the five categories of Crown entities defined in the Crown Entities Act 2004, but are explicitly excluded from the definition of state services in the State Sector Act 1988. At 30 September 2009, there were 31 tertiary education institutions: eight universities, 20 polytechnics/institutes of technology, and three wānanga (Māori tertiary institutions).

State-owned enterprises (SOE) SOEs are companies listed in schedule 1 of the State-Owned Enterprises Act 1986 that operate on commercial lines and are companies under the Companies Act 1993. Their objective is to be as profitable and as efficient as a comparable business not owned by the Crown, and to be socially responsible. The government may purchase services from SOEs, but generally will do so on the same basis as other purchasers. The government's interest in SOEs is substantially in their ownership. The government's interest in SOEs is supported by the Crown Ownership Monitoring Unit, a unit in the Treasury. At 30 September 2009, there were 17 state-owned enterprises:

- Airways Corporation of New Zealand Ltd – www.airways.co.nz
- Animal Control Products Ltd – www.pestoff.co.nz
- AsureQuality Ltd – www.asurequality.co.nz
- Electricity Corporation of New Zealand Ltd – www.comu.govt.nz
- Genesis Power Ltd – www.genesisenergy.co.nz

New Zealand Herald of Arms

The Office of the New Zealand Herald of Arms Extraordinary to Her Majesty the Queen was established in 1978. The first and current holder of the office is Phillip O'Shea, CNZM, LVO.

The office is the formal channel of communication and liaison between New Zealand and Her Majesty's College of Arms, a corporation within the royal household. 'Extraordinary' means the herald combines his duties, essentially honorary, with other responsibilities.

Duties of the New Zealand Herald of Arms include:

- advising the Crown, government departments, and the New Zealand Defence Force on heraldic matters and armorial bearings
- advising on badges, emblems, and flags
- liaising with the College of Arms in London about granting and confirming personal and corporate coats of arms.

The New Zealand Herald of Arms attends the Queen, or the governor-general, on occasions such as the State opening of Parliament and inaugurations. He also liaises with the College of Arms on matters relating to the research and registration of pedigrees.

Source: Honours Secretariat

- Kordia Group Ltd – www.kordiasolutions.com
- Landcorp Farming Ltd – www.landcorp.co.nz
- Learning Media Ltd – www.learningmedia.co.nz
- Meridian Energy Ltd – www.meridianenergy.co.nz
- Meteorological Service of New Zealand Ltd – www.metservice.com
- Mighty River Power Ltd – www.mightyriverpower.co.nz
- New Zealand Post Ltd – www.nzpost.co.nz
- New Zealand Railways Corporation – www.kiwirail.co.nz
- Quotable Value Ltd – www.qv.co.nz
- Solid Energy New Zealand Ltd – www.coalnz.com
- Timberlands West Coast Ltd – www.timberlands.co.nz
- Transpower New Zealand Ltd – www.transpower.co.nz

Air New Zealand Limited (www.airnewzealand.co.nz) is also included in the annual financial statements of the government, for disclosure purposes, as if it were a state-owned enterprise.

State services commissioner

The state services commissioner is central to New Zealand's politically neutral public service. The commissioner is appointed by the governor-general on the recommendation of the prime minister.

The commissioner has two separate roles. As holder of a statutory office, the commissioner acts independently in a range of matters concerning the operation of the public service, state services, and the wider state sector. As chief executive of the State Services Commission Te Komihana o ngā Tari Kāwanatanga, the commissioner is also responsible to the Minister of State Services for the commission's functions and duties, capability, and performance.

The office of state services commissioner follows from the Public Service Commission, which was established in 1912 to employ all public servants, and to protect the public service from political interference, preserving its political neutrality. The commissioner no longer employs all public servants, but still employs the chief executives of public service departments, and so continues to act as a buffer between ministers and the public service. The commissioner also undertakes a variety of functions relating to departmental performance. These include:

- appointing and performance managing the public service chief executives
- providing advice on management systems, structures, and organisations within the public service and Crown entities
- setting minimum standards of integrity and conduct for the public service, most Crown entities, and some other agencies
- advising the government on the structure of the state sector, including the allocation of functions among agencies
- promoting and developing senior leadership and management capability in the public service, and promoting and developing policies and standards for personnel administration and equal employment opportunities in the public service.

The State Services Commission works with other central agencies and the government to improve the performance of the country's state services.

Crown Ownership Monitoring Unit

The Crown Ownership Monitoring Unit (COMU) is part of the New Zealand Treasury. It provides strategic ownership advice to the government on the commercial assets it owns, and monitors the performance of those assets.

COMU assists with appointing directors to Crown company boards and advises shareholding ministers on performance and governance issues. The unit also works with other monitoring departments and agencies to share good practice and lift performance.

COMU has responsibility for monitoring:

- 17 state-owned enterprises
- 8 Crown research institutes
- 4 Crown financial institutions
- Air New Zealand Ltd
- 5 other Crown companies
- some statutory entities
- the Crown's shareholding in 1 shipping line and 4 airports.

Collectively and individually, these organisations provide important products and services to and for New Zealanders and make a significant contribution to the national economy and well-being.

Image removed due to copyright issues

Otago Daily Times

Danielle Cameron hands Otago Regional Council's Michael Deaker a petition at Dunedin Railway Station in April 2009. Over 2,000 people signed the petition asking the council to carry out a feasibility study into a commuter train service for Dunedin's outer suburbs.

Controller and auditor-general

The controller and auditor-general (the auditor-general) is an officer of Parliament, appointed by the governor-general under the Public Audit Act 2001 for a non-renewable seven-year term. The position is independent of the executive government and only the governor-general, on advice from the House of Representatives, can end the auditor-general's tenure.

The constitutionally important 'controller' function, as set out in the Public Finance Act 1989, provides independent assurance to Parliament that the expenses and capital expenditure of government departments and offices of Parliament are lawful, and are within the scope, amount, and period of the appropriations or other authority granted by Parliament.

The auditor-general audits the financial statements of government departments, local authorities, and most government-controlled corporations, boards, and companies, and plays a key part in ensuring adequate accountability by these public entities.

The auditor-general also conducts performance audits to assess whether public entities are carrying out their activities effectively and efficiently, and are complying with their statutory obligations. If shortcomings are discovered during an audit, the principal recourse of the auditor-general is to report to the entity's management, to a minister, or to Parliament and its select committees.

Ombudsmen

Ombudsmen are independent officers of Parliament appointed by the governor-general on the recommendation of the House of Representatives. They provide Parliament and the New Zealand public with an impartial, independent check that the government's administrative practice, and its exercise of decision making at central, regional, and local level, is robust, fair, transparent, and accountable.

The ombudsmen's key functions are to:

- investigate, form opinions, report, and where appropriate, make recommendations on the merits of the administrative acts and decisions of government agencies at central, regional, and local level, either as a result of complaints received from the public or on the ombudsmen's own motion under the Ombudsmen Act 1975
- investigate and review, form opinions, report, and where appropriate, make recommendations on decisions relating to official information requested under the Official Information Act 1982 and the Local Government Official Information and Meetings Act 1987
- provide guidance and information to employees who have made, or are considering making, a protected disclosure under the Protected Disclosures Act 2000, and to fulfil the requirements of an 'appropriate authority' under that Act
- examine the conditions of detention and treatment of detainees in prisons, immigration detention facilities, health and disability places of detention, and youth justice and child care and protection residences. Make recommendations and report on how they exercise their functions as a 'national preventative mechanism' under the Crimes of Torture Act 1989.

An ombudsman has wide powers to investigate complaints. For example, he or she can obtain information from any person they see fit, and they can summon people and examine them on oath. Any member of the public, a group of people, or a company can complain to the ombudsmen.

However, there are some limits to an ombudsman's authority to investigate complaints under the Ombudsmen Act. For example, they are not usually authorised to investigate if there is a right to appeal the agency's decision to a court or tribunal.

Public or private information?

In 2009, the privacy commissioner opposed an ombudsman's decision to release information about 3,099 potentially contaminated land sites in Hawke's Bay.

The Office of the Ombudsmen made the decision in August 2009 following a complaint received from *The Dominion Post* newspaper. Under an Official Information Act request, the paper had sought, and been denied, information from the Hawke's Bay Regional Council.

Privacy Commissioner Marie Shroff was concerned about the effect that releasing the information would have on the privacy of landowners – an individual's property rights should outweigh the public interest. She felt the interest of current and future owners could be satisfied by individuals making site-specific requests for information.

However, ombudsman David McGee said the concerns did not warrant keeping the 1995 list secret, and public safety was more important than a possible effect on property prices. His decision was supported by the Minister for the Environment.

The council's list of 1,494 properties was released in October 2009, after affected landowners were notified. The reduced number of possibly contaminated sites was due to information being clarified by council staff. Very few were residential sites.

Source: Office of the Ombudsmen; Hawke's Bay Regional Council

In some circumstances, an ombudsman may decline to investigate a complaint, including when the complainant has an adequate alternative remedy open to them. Making a complaint to the government agency in the first instance is generally considered to be an adequate alternative remedy – an ombudsman would not usually investigate a complaint until the matter had first been raised with the agency concerned.

Official information

Under the Official Information Act 1982 (OIA) and the Local Government Official Information and Meetings Act 1987 (LGOIMA), the public can request official information from central, regional, and local government agencies.

The purposes of the OIA and LGOIMA are to:

- increase the availability of official information, to promote more effective public participation in government and government accountability, and to enhance respect for the law and good government generally
- protect official information when it is in the public interest or to preserve personal privacy.

Official information is any information held by government agencies that is subject to the OIA and LGOIMA, including that held by:

- government ministers in their official capacity
- central government departments, organisations, and state-owned enterprises
- city, district, or regional councils
- school boards of trustees, universities, polytechnics, and other tertiary education institutions
- district health boards.

Official information includes material held by an agency in any format, including:

- written documents, reports, memoranda, letters, notes, emails, and draft documents
- non-written documentary information, such as material stored on computer, video, or tape recordings
- information which is known to an agency but has not yet been recorded in writing or otherwise.

When a request is made to an agency for official information, the request must be considered and a decision made and conveyed to the requester as soon as reasonably practicable. This must be no later than 20 working days after the date the request is received (unless an extension of this time limit is made).

The guiding principle of the acts is that information must be made available unless there is 'good reason' to withhold it. The OIA and LGOIMA list grounds that provide 'good reason' to withhold information. There are also certain administrative grounds on which a request for official information may be refused.

Parliamentary ombudsmen can investigate and review, form opinions, report, and where appropriate, make recommendations on decisions relating to requests for official information. Where a complaint is found to be justified, an ombudsman may recommend that the agency concerned take action to remedy the complaint, including releasing the requested information. There is a public duty to comply with an ombudsman's recommendation within 21 working days of it being made unless:

- in the case of ministers and agencies subject to the OIA, the governor-general directs otherwise by order in council
- in the case of agencies subject to the LGOIMA, the agency decides otherwise by a resolution at a meeting, and records that decision in writing.

Privacy commissioner

The Office of the Privacy Commissioner Te Mana Matapono Matatapu is independent of the executive and of Parliament. One of the main purposes of the office is to promote and protect individual privacy.

The Privacy Act 1993 establishes 12 information privacy principles and four public-register privacy principles. The principles apply to both the public and private sectors, but do not overrule other laws governing the use of personal information.

Information privacy principles cover the collecting, securing, using, and disclosing of personal information; access to and correction of personal information; and assigning and using a unique identifier for a person.

Public-register privacy principles place some controls on the availability of public-register information and its subsequent use.

The privacy commissioner observes, and reports on, issues that affect the way personal information is handled. The commissioner examines new legislation, and appears before parliamentary select committees that are considering new bills.

Table 3.10

Complaints to the ombudsmen			
By outcome			
Year ending 30 June 2009			
Outcome	Ombudsmen Act 1975	Official Information Act 1982	Local Government Official Information and Meetings Act 1987
Declined, no jurisdiction	58	10	3
Declined under ombudsman's discretion	336	8	8
Discontinued, inquiry not warranted	180	93	29
Resolved in course of investigation	123	145	50
Sustained, recommendation made	2	17	1
Sustained, no recommendation made	34	78	11
Not sustained	115	169	35
Formal investigation not undertaken, but explanation, advice or assistance given	6,568	200	64
Complaints transferred to			
Privacy commissioner	12	34	1
Independent Police Conduct Authority of New Zealand	3	0	0
Administration closed	4	0	0
Still under investigation at 30 June	757	419	80
Total	8,192	1,173	282
Total 2008	7,893	1,186	263

Source: Office of the Ombudsmen

The privacy commissioner has the power to issue codes of practice that modify privacy principles. These codes replace the principles in particular contexts. Two major industry codes issued by the commissioner are the Health Information Privacy Code 1994, and the Credit Reporting Privacy Code 2004.

The commissioner oversees the operation of public sector information-matching programmes that government agencies use to compare databases of personal records (to establish, for example, entitlement to services, or instances of benefit fraud). The Act requires that an affected individual be given notice before adverse action is taken as a result of a match.

The Office of the Privacy Commissioner investigates complaints about breaches of privacy. If a complaint cannot be settled, or parties reconciled, using low-level dispute resolution, the commissioner may refer it to the director of human rights proceedings, who may bring proceedings before the Human Rights Review Tribunal. In the year ending 30 June 2008, the privacy commissioner referred 20 complaints. Alternatively, aggrieved people may bring proceedings before the tribunal on their own behalf. The tribunal has the power to award remedies, including declarations, orders, damages, and costs.

The Official Information Act 1982 and the Local Government Official Information and Meetings Act 1987 require the ombudsmen to consult with the commissioner on official information access requests where privacy is a possible ground for withholding information. In the year ending 30 June 2008, 23 formal consultations under the two acts were completed. Table 3.11 details complaints made to the privacy commissioner in recent years.

Table 3.11

Complaints to the privacy commissioner					
Year ending 30 June					
	2004	2005	2006	2007	2008
New complaints received	934	721	636	640	662
Complaints current at start of year	1,052	818	569	455	394
Number of complaints under process	1,986	1,539	1,205	1,095	1,056
Number of complaints closed during year	1,168	970	752	701	767

Source: Office of the Privacy Commissioner

Bill of rights

The New Zealand Bill of Rights Act 1990 is intended to provide minimum standards to which public decision making must conform. It emphasises New Zealand's formal commitment to fundamental civil and political rights, and affirms New Zealand's obligations under the International Convention on Civil and Political Rights.

The Act is designed to protect individuals and corporations from the State's actions. It specifically applies to any acts by the legislative, executive, and judicial branches of government, or by a person or body performing a public function, power, or duty.

The attorney-general is required to notify the House of Representatives about any provision in any bill introduced into the House that appears to be inconsistent with the Act. The Ministry of Justice advises departments on the consistency of policy proposals and government bills with New Zealand's human rights laws, and advises the attorney-general on a bill's consistency with the Act. The Crown Law Office is responsible for providing advice to the attorney-general on bills from the Ministry of Justice.

Report card accepted

In September 2009, the Human Rights Council of the United Nations (UN) adopted the outcomes of a human rights review of New Zealand.

Every four years, New Zealand's Government must submit a 20-page report to the UN on the country's human rights situation, prepared in consultation with relevant government agencies and the public. This Universal Periodic Review is submitted to the UN for discussion by member states and for recommendations to be made.

The Government's 2009 report highlighted challenges that included social disparities between Māori and non-Māori, the status of the Treaty of Waitangi, family violence, equality of opportunity, over-representation of Māori in the criminal justice system, and ratifying of international human rights treaties.

Minister of Justice Simon Power led the New Zealand delegation and delivered the opening statement in May 2009. During a three-hour interactive dialogue with the minister, 36 countries made statements and recommendations on New Zealand's human rights record, which New Zealand was able to accept or reject.

The New Zealand Government accepted 45 of the 64 recommendations made by the UN, gave a qualified response to 11, and rejected 8.

New Zealand's Human Rights Commission says the Government's challenge now is to reflect commitment to the recommendations in legislation, policy initiatives, and financial decisions – particularly by taking action on the priorities identified in their own report to the UN.

Source: Ministry of Foreign Affairs and Trade; Human Rights Commission

An individual or legal body can take legal action in court if they believe the Act has been breached. The Act provides no remedy, but under common law the courts have provided remedies for infringement of the rights and freedoms identified in the Act.

The Human Rights Act 1993 provides for a publicly funded complaints process in respect of breaches of the 'right to be free from discrimination' section of the New Zealand Bill of Rights Act 1990. Individuals can lodge a complaint with the United Nations Human Rights Committee if they consider that their civil and political rights have been breached. Individuals who consider that their rights under the Convention against Torture, or the Convention on the Elimination of Discrimination Against Women, have been breached may lodge a complaint with the relevant United Nations committee.

Human rights

The Human Rights Act 1993 makes it unlawful to discriminate in: employment; access to places, vehicles and facilities; provision of goods and services; provision of land, housing, and other accommodation; and access to education. The Act is administered by the Human Rights Commission (see chapter 6 for more information).

Other forms of discrimination the Act makes unlawful include racial disharmony, racial harassment, sexual harassment, and victimisation. Both the public and private sectors are subject to the Act. There are 13 prohibited grounds of discrimination – sex, marital status, religious belief, ethical belief, colour, race, ethnic or national origin, disability, age, political opinion, employment status, family status, and sexual orientation. The Act also defines a number of circumstances where discrimination is not unlawful.

Human rights complaints about government activities (other than employment, and sexual and racial harassment) are tested against the anti-discrimination standard set out in the Act. This provides that government or public sector activities that discriminate will be exempt if they are reasonable, lawful, and demonstrably justifiable in a free and democratic society.

Complaints of discrimination about government activities may also be taken to court under the New Zealand Bill of Rights Act 1990.

The commission acts as a first contact for those who wish to make a discrimination complaint, and assists parties to resolve complaints, using either mediation or other low-level means of resolving disputes. It does this through its enquiries and complaints service (see chapter 6 for more details). When disputes are not resolved through this process a complainant can approach the director of human rights proceedings for possible litigation assistance or can engage a lawyer to bring the case to the Human Rights Review Tribunal.

Parliamentary commissioner for the environment

The Environment Act 1986 established the parliamentary commissioner for the environment as an independent officer of Parliament. On the recommendation of the House of Representatives, the commissioner is appointed by the governor-general for a five-year term.

The commissioner has power to obtain information from any person, but must not release this information except for purposes connected with the Environment Act. The commissioner's role provides a unique position for supplying members of Parliament with independent advice to help them consider matters that may impact on the quality of the environment.

Image removed due to copyright issues

The current commissioner, Dr Jan Wright, was sworn in March 2007. Reports published since then include: *Investigation into the Remediation of the Contaminated Site at Mapua*, *Change in the High Country: Environmental stewardship and tenure review*, *Smart Electricity Meters: How households and the environment can benefit*, and *Stockton Revisited: The mine and the regulatory minefield*. Her advice to Parliament included work on the Waste Minimisation Bill, the Monetary Policy inquiry, the Biofuel Bill, and the Emissions Trading Scheme.

The commissioner's functions are given in the Environment Act. They include:

- review the system of agencies and processes established by the government to manage the allocation, use, and preservation of natural and physical resources, and report to the House of Representatives
- investigate the effectiveness of environmental planning and environmental management carried out by public authorities, and advise them on remedial action
- investigate any matter where the environment may be or has been adversely affected, advise on preventive measures or remedial action, and report to the House
- at the request of the House or any select committee, report on any petition, bill, or other matter which may have a significant effect on the environment.

Public Trust

Public Trust is a Crown entity, founded in 1873 to provide a stable, independent, and impartial trustee organisation. Its purpose is to help New Zealanders by providing trustee and financial services.

Public Trust also cares for overseas assets and property under various statutes, acts as the trustee for protected persons, and acts as a trustee of last resort. Its key priorities are:

- administering estates of deceased people
- wills, and enduring powers of attorney advice and preparation
- establishing and administering trusts
- agency and asset management services
- providing financial and investment products and services
- corporate and other trustee services
- managing investment funds.

Local government

Local government in New Zealand plays an important and essential role in providing a wide range of services and facilities to local communities. These include providing clean drinking water, libraries, and parks, and managing people's impact on the environment.

The powers and responsibilities of local government are given by Parliament through legislation and regulations. The main legislation guiding local government operation is the Local Government Act 2002. Under the Act, local government exists to enable democratic local decision making and action – to promote the social, economic, environmental, and cultural well-being of communities. Through this process, local issues are better able to be identified and addressed.

Local government is organised into three categories: regional, territorial, and unitary authorities. Regional councils and territorial authorities generally have different functions and responsibilities. The role of regional councils is primarily, although not exclusively, related to managing natural resources and environmental planning at a regional level. Territorial authorities provide local services and also administer regulatory processes such as building consents and liquor licensing. Unitary authorities have the powers of both regional and territorial authorities.

Regional, city, and district boundaries are usually defined by statute or by the Local Government Commission. Many territorial authorities also have community boards. While members of these boards are elected by their local communities, they are not separate local authorities.

Local authorities have their own sources of income, independent of central government. This enables them to fund and provide services that meet local needs and expectations. Rates, local taxes on land and property, are the main source of income. Rates are set by local authorities under the Local Government (Rating) Act 2002. Local authorities also raise income from the sale of goods and services, receive subsidies from central government (mainly around transport), or from other sources such as investments.

Other legislation relating to local government include the Local Electoral Act 2001, the Local Government Official Information and Meetings Act 1987, and the Local Authorities (Members' Interests) Act 1968. Local authorities also gain functions, powers, and responsibilities from other statutes, such as the Resource Management Act 1991, the Building Act 2004, the Transit New Zealand Act 1989, and the Civil Defence and Emergency Management Act 2002.

Local authorities can also set local by-laws to protect the public from nuisance and promote public health. When permanent or major additional powers not covered under existing law are wanted,

Image removed due to copyright issues

The New Zealand Herald

Olympic and world shotput champion Valerie Vili shares a joke with Major Hone Waititi at Government House in Auckland. In March 2009, both received honours from the Governor-General, recognising their achievements and services to New Zealand.

The New Zealand Royal Honours system

The New Zealand honours system recognises achievements, and services to New Zealand.

The Honours Secretariat, part of the Cabinet Office, administers the New Zealand Royal Honours system. Honours lists are issued at the new year, on the observance of the Queen's Birthday, and in special lists. Approximately 400 honours are available each year, although fewer may be recommended.

The Order of New Zealand is New Zealand's highest honour. It was instituted in 1987, to recognise outstanding civil or military service to the Crown and people of New Zealand.

Ordinary membership is limited to 20 living people. Members may use the letters ONZ after their name. The order does not confer a title.

The New Zealand Order of Merit recognises those who have performed exemplary service to the Crown and nation, in any field; or have become distinguished by their prominence, talents, contributions, or other merits. The five levels of the order are, knight or dame grand companions (GNZM), knight or dame companions (KNZM or DNZM), companions (CNZM), officers (ONZM), and members (MNZM).

In 2000, the Queen approved the discontinuation of titles, however, these were reinstated in 2009. The New Zealand Order of Merit replaced the various

British state orders of chivalry (eg the orders of the Bath, St Michael, and St George, British Empire, the companion of honour, and the honour of knight bachelor).

The Queen's Service Order recognises voluntary service to the community, and service through elected or appointed office. It ranks as a fourth-level order and has no title. Those appointed to the order are styled 'companions' and may use the letters QSO after their name. The ordinary membership is limited to 30 appointments a year.

In 2007 the Queen approved changes to the order, including the removal of the subdivisions ('for community service' and 'for public services'), and for the governor-general to be appointed to the order in his or her own right.

Associated with the order is the Queen's Service Medal, which ranks as a sixth-level award. The medal is also for those who have given voluntary service to the community, and service through elected or appointed office. Those awarded the medal may use the letters QSM after their name.

The New Zealand Gallantry Awards were instituted in 1999 to recognise military and support personnel who perform acts of gallantry while involved in war and operational service (including peacekeeping). There are four levels of gallantry awards: Victoria Cross for

New Zealand (VC), New Zealand Gallantry Star (NZGS), New Zealand Gallantry Decoration (NZGD), and the New Zealand Gallantry Medal (NZGM).

The New Zealand Bravery Awards were instituted in 1999 to recognise the actions of people who save or attempt to save the life of another person, in the course of which they place their own safety or life at risk. There are four levels of bravery awards: New Zealand Cross (NZC), New Zealand Bravery Star (NZBS), New Zealand Bravery Decoration (NZBD), and the New Zealand Bravery Medal (NZBM).

The New Zealand Antarctic Medal was instituted as a New Zealand Royal Honour in 2006 and may be awarded to individuals, or members of a New Zealand programme in the Antarctic region, who make an outstanding contribution to exploration, scientific research, conservation, environmental protection, or knowledge of the Antarctic region; or support New Zealand's objectives or operations in the Antarctic region. Those awarded the medal may use the letters NZAM after their names.

The New Zealand Distinguished Service Decoration was instituted as a New Zealand Royal Honour in 2007 to recognise distinguished military service by regular, territorial, and reserve members of the New Zealand Defence Force. Those awarded the decoration may use the letters DSD after their names.

Source: Honours Secretariat

local authorities can seek to have a local bill prepared. Parliament will then consider the request and, if there is agreement, confer the required powers on local government. A local act applies only to the body or bodies that promoted it.

Local authorities also consult their communities. In some cases, this is required by law as part of a decision-making processes. Councils are also required to prepare a 10-year plan for their communities that sets out future levels of service and required funding.

Decisions made by local authorities may also come under the scrutiny of ombudsmen, the auditor-general, and the parliamentary commissioner for the environment. Any decision by a local authority may be reviewed by appeal to the High Court. Decisions made under the Resource Management Act can be appealed to the Environment Court.

The Minister of Local Government may appoint a review authority when it is considered there has been serious mismanagement by a local authority, and can require the local authority to implement the review authority's recommendations.

Local government organisation

New Zealand has 12 regional councils, 73 territorial authorities, 143 community boards, and six special authorities. Table 3.12 lists regional councils, territorial authorities, and numbers of councillors.

The Local Government Act 2002 recognises local authorities are responsible for diverse communities across New Zealand and they are well-placed to be able to identify and respond to local needs. The Act encourages councils to engage with their community and involve people in local planning and decision making. Local authorities are also required to conduct their affairs in an open and transparent manner and to take account of the needs of current and future generations.

Table 3.12

Territorial authorities and councillors

At 30 November 2009

City/district	Number of councillors ⁽¹⁾	Council type	City/district	Number of councillors ⁽¹⁾	Council type
Ashburton	13	district	Northland	8	regional
Auckland	20	city	North Shore	16	city
Auckland	13	regional	Ōpōtiki	7	district
Buller	11	district	Otago	11	regional
Carterton	9	district	Otorohanga	8	district
Central Hawke's Bay	9	district	Palmerston North	16	city
Central Otago	11	district	Papakura	9	district
Chatham Islands	9	council	Porirua	14	city
Christchurch	14	city	Queenstown-Lakes	11	district
Clutha	15	district	Rangitikei	10	district
Dunedin	15	city	Rodney	13	district
Environment Bay of Plenty	13	regional	Rotorua	13	district
Environment Canterbury	14	regional	Ruapehu	12	district
Environment Southland	12	regional	Selwyn	11	district
Environment Waikato	12	regional	South Taranaki	13	district
Far North	10	district	South Waikato	11	district
Franklin	13	district	South Wairarapa	10	district
Gisborne ⁽²⁾	15	district	Southland	13	district
Gore	12	district	Stratford	10	district
Greater Wellington	13	regional	Taranaki	11	regional
Grey	9	district	Tararua	9	district
Hamilton	13	city	Tasman ⁽²⁾	14	district
Hastings	15	district	Taupō	11	district
Hauraki	14	district	Tauranga	11	city
Hawke's Bay	9	regional	Thames-Coromandel	9	district
Horizons ⁽³⁾	12	regional	Timaru	11	district
Horowhenua	11	district	Upper Hutt	11	city
Hurunui	11	district	Waikato	14	district
Hutt City	13	city	Waimakariri	11	district
Invercargill	13	city	Waimate	9	district
Kaikōura	8	district	Waipa	13	district
Kaipara	9	district	Wairoa	7	district
Kapiti Coast	12	district	Waitakere	15	city
Kawerau	9	district	Waitaki	9	district
Mackenzie	7	district	Waitomo	7	district
Manawatu	11	district	Wanganui	13	district
Manukau	18	city	Wellington	15	city
Marlborough ⁽²⁾	14	district	West Coast	7	regional
Masterton	11	district	Western Bay of Plenty	13	district
Matamata-Piako	12	district	Westland	11	district
Napier	13	city	Whakatane	11	district
Nelson ⁽²⁾	13	city	Whangarei	14	district
New Plymouth	15	district			

(1) Figures include mayors. (2) Unitary authority (city/district council and regional council responsibilities). (3) The trading name of Manawatu/Wanganui Regional Council.

Source: Local Government New Zealand

New structure for Auckland

From 1 November 2010, following the local body elections, Auckland has a new structure for local government. The regional council and existing local councils have been replaced by the Auckland Council, a completely new model for New Zealand. It is designed to strengthen regional leadership while providing effective local and community democracy.

Auckland Council has two complementary and non-hierarchical decision-making parts. The mayor and 20 councillors elected from across the region (known as the governing body) will focus on the big picture and region-wide strategic decisions and issues.

Under the new structure the region also has 21 local boards, which will each represent their local communities and make decisions on local issues, activities, and facilities. Local boards provide the opportunity for strengthened community representation and are an integral part of the new Auckland Council.

Council-controlled organisations that are responsible for some local government services, such as transport and water, will support the governing body and the local boards in their governance role.

For many Aucklanders local boards will be the face of local government. The boards will meet regularly with the communities they represent in their local board area, to understand their needs and help deal with the issues concerning local people. They will also consult communities formally when developing local board plans.

The governing body of 20 councillors is led by a mayor who has stronger powers and is supported by the mayoral office.

Source: Department of Internal Affairs

Before 2002, local authorities were only permitted to carry out activities specifically allowed by statute. The Act now lets regional councils and territorial authorities engage in activities each considers appropriate for their region or district, following the purpose of local government.

Local authorities carry out a range of regulatory and non-regulatory activities. They are permitted to privatise their trading activities and may put the delivery of services out to competitive tender as an alternative to using in-house business units.

Regional councils are directly elected, set their own rates, and have a chairperson elected by their members. Their main functions relate to:

- managing air quality, water quality, and the use of coastal environments
- flood control and soil erosion
- the control of pests and noxious plants
- harbour regulations and marine pollution control
- regional aspects of civil defence
- regional transportation planning and control of passenger transport.

Territorial authorities in New Zealand include 16 city councils, 56 district councils, and the Chatham Islands Council. Territorial authorities are directly elected, set their own rates, and have a mayor elected by the people. They provide a range of services and facilities for their communities including: managing land use planning; regulatory functions including noise control, animal control, public health, liquor licensing, and building consents; roading and parking services; providing water, waste, and stormwater networks; solid waste collection and disposal, recycling, and litter control; local civil defence and rural fire services; parks and reserves, libraries, museums, and other cultural facilities and activities; local amenity and safety improvements; pensioner housing and other community support activities; and visitor information, events, and local economic development.

Unitary authorities are territorial authorities that also have the powers of regional councils. Legislation in 1989 prevented any new unitary authorities being established, other than the Gisborne District Council. However, an amendment in 1992 created three more unitary authorities (Marlborough district, Tasman district, and Nelson city) and made it possible for others to be created by submitting a proposal to the Local Government Commission.

Community boards represent and advocate for a particular community or area within a territorial authority. Community board members are elected by the community and in some cases are also appointed by the territorial authority. Boards have 4 to 12 members. Community boards can be established anywhere in New Zealand to serve any number of inhabitants. In some cases they have been established on the initiative of a given number of electors or as part of the representation review process (under the Local Electoral Act 2001).

A community board's powers are delegated by the territorial authority, and cannot include levying rates, appointing staff, or owning property. Community boards are often a way for the territorial authority to better understand, and consult with, specific communities of interest.

Special purpose local authorities were greatly reduced following local government reform in 1989. Catchment boards, harbour boards, pest destruction boards, and land drainage boards were all disestablished, with their functions being reallocated, primarily to regional councils.

Most remaining special purpose local authorities are scenic and recreation boards. Some unique authorities do still exist, such as the Aotea Centre Board of Management, the Auckland, Canterbury, and Otago museums trust boards, and the Masterton and Greytown lands trusts.

Image removed due to copyright issues

The Press

Clytie Campbell from the Royal New Zealand Ballet and the Crusaders rugby team trained together at Christchurch's Rugby Park in March 2010. Local authorities provide a range of services and facilities for their communities including parks and reserves, libraries, museums, and other cultural facilities and activities.

Local government elections

Elected members play a pivotal role in local government. All regional council, territorial authority, special purpose local authority, and community board elections, as well as those for district health boards, are conducted at the same time.

Local government elections are held on the second Saturday in October every third year. The most recent elections were in 2010.

Electorates are known as ‘wards’ in the case of territorial authorities and ‘constituencies’ in the case of regions. Territorial authorities can decide whether members will be elected by the electors of wards, from the district as a whole, or a mixture of both. Regions must be divided into constituencies.

At least once every six years, in the year before an election, regional and territorial authorities must review the number of council or board members, the number and size of their electorates, and whether or not community boards should be established. The representation review aims to give effective representation to communities and fair representation to electors. The review process allows the public to have input into the local authority structure. If a structure proposed by the council is appealed, the final decision is made by the Local Government Commission.

Voting procedures Although postal voting is now universal, a territorial authority may decide if an election is to be conducted at a polling booth or by post. The voting method is similar to that for parliamentary elections – candidates names are printed on the ballot paper and voters tick the name of the candidate they wish to vote for.

The predominant voting system used by local authorities is ‘first past the post’. All district health boards (by statute) use the single transferable vote (STV) system, where voters rank candidates in their order of preference. As part of their representation review process, local authorities have the option of using STV in future elections. In 2010, six local authorities used STV.

Local authority franchise Every parliamentary elector automatically qualifies as a residential elector of a local authority, if the address at which the person is registered on the electoral roll is within the district of the local authority. Ratepayers who are not residents are entitled to enrol and vote in any region, district, or community that they pay rates in. Rolls are compiled by territorial authorities. Information for the residential electoral roll comes from the parliamentary electoral database, and the ratepayer roll is compiled from enrolment forms received from ratepayers.

Membership of local authorities Any person who is a New Zealand citizen and a parliamentary elector may be elected to a regional council, territorial authority, or community board. In 1992, a prohibition was introduced on a person being a candidate for both a regional council and a territorial authority, or community board, within that region. Vacancies may be filled either by an election or by appointment, depending on the timing of the vacancy.

Remuneration Most boards and councils pay their chairperson or mayor an annual salary, while other members are paid a combination of a meeting allowance and an annual salary. Maximum and minimum salary and allowance levels are set by the Remuneration Authority. The council or board decides the actual rate within those limits.

Local Government Commission

The Local Government Commission consists of three members, including a chairperson who is appointed by the Minister of Local Government.

The commission hears and determines:

- appeals against local authority decisions on proposed boundary alterations
- appeals relating to a local authority’s ward and membership proposals following a representation review
- proposals for the constitution of communities.

The commission considers and processes proposals to join or create districts or regions, and to establish unitary authorities. The commission may also carry out investigations of particular matters affecting local government and report on them to the Minister of Local Government.

Local government finance

Most of New Zealand’s local authorities separate their activities into regulatory-type functions and trading activities. To support this, councils have set up business units that compete with outside businesses for council contracts, such as those involving roading, works and maintenance, and rubbish collection.

Councils also often have a shareholding in electricity supply companies, as well as companies which operate ports, airports, and bus transport.

The total value of the non-trading activities of all local authorities is shown in table 3.13 (overleaf).

Table 3.13

	Local authority statistics – non-trading activities ⁽¹⁾					
	Year ending June					
	2004	2005	2006	2007	2008	2009 ⁽²⁾
	\$(million)					
Rates	2,620	2,778	3,027	3,323	3,591	3,786
Regulatory income and petrol tax	275	309	320	372	407	410
Government grants and subsidies	556	662	691	761	794	876
Investment income	302	309	312	319	340	331
Sales of goods and services and all other income	874	923	1,004	983	1,021	1,148
Total operating income	4,626	4,980	5,354	5,758	6,153	6,551
Employee costs	1,030	1,101	1,180	1,299	1,425	1,557
Interest paid	142	158	184	241	321	374
Depreciation	890	959	1,075	1,157	1,269	1,413
Purchases and other expenditure	2,309	2,592	2,793	2,937	3,194	3,446
Total operating expenditure	4,370	4,810	5,231	5,634	6,209	6,789
Surplus/deficit before non-operating items	256	171	123	124	-56	-239
Net gains from non-operating items	484	1,564	705	914	1,360	..
Surplus/deficit after non-operating items	739	1,735	829	1,037	1,303	..
Additions to fixed assets	1,938	2,145	2,640	3,309	3,610	..
Disposal of fixed assets	125	232	188	1,706	490	..

(1) Covers all activities of local authorities not classified as trading activities, eg local government administration, provision of water supply, roading, parks and reserves, town planning, and regulation. (2) Estimates for the year ended 2009 are calculated using data from the Quarterly Local Authority Survey.

Note: Figures may not add to stated totals due to rounding.

Symbol: .. figure not available

Source: Statistics New Zealand

Image removed due to copyright issues

North Shore Times

David (left) and Clive Bracken are great-grandsons of Thomas Bracken, the writer of New Zealand's national anthem. Here they hold an original copy of 'God Defend New Zealand', which was first performed in public in 1876.

National anthems

New Zealand has two national anthems: 'God Defend New Zealand' and 'God Save the Queen'.

'God Defend New Zealand' is a poem written by Thomas Bracken and set to music composed by John J Woods. It was first performed in public on Christmas Day 1876 and formally adopted as the national hymn in 1940.

In 1977, with the permission of Queen Elizabeth II, the government adopted both 'God Defend New Zealand' and 'God Save the Queen' as national anthems of equal status, to be used as appropriate to the occasion.

Māori and English texts of 'God Defend New Zealand':

- | | |
|--|---|
| <p>1. E Ihowā Atua,
O ngā iwi mātou rā,
Āta whakarongona;
Me aroha noa.
Kia hua ko te pai;
Kia tau tō atawhai;
Manaakitia mai
Aotearoa.</p> | <p>1. God of Nations at Thy feet,
In the bonds of love we meet,
Hear our voices, we entreat,
God defend our free land.
Guard Pacific's triple star
From the shafts of strife and war,
Make her praises heard afar,
God defend New Zealand.</p> |
| <p>2. Ōna mano tāngata
Kiri whero, kiri mā,
Iwi Māori Pākehā
Rūpeke katoa,
Nei ka tonono ko ngā hē
Māu e whakaahu kē,
Kia ora mārīre
Aotearoa.</p> | <p>2. Men of every creed and race,
Gather here before Thy face,
Asking Thee to bless this place,
God defend our free land.
From dissension, envy, hate,
And corruption guard our State,
Make our country good and great,
God defend New Zealand.</p> |
| <p>3. Tōna mana kia tū!
Tōna kaha kia ū;
Tona rongo hei paku
Ki te ao katoa
Aua rawa ngā whawhai,
Ngā tutu a tata mai;
Kia tupu nui ai
Aotearoa.</p> | <p>3. Peace, not war, shall be our boast,
But, should foes assail our coast,
Make us then a mighty host,
God defend our free land.
Lord of battles in Thy might,
Put our enemies to flight,
Let our cause be just and right,
God defend New Zealand.</p> |
| <p>4. Waiho tōna takiwā
Ko te ao mārāma;
Kia whiti tōna rā
Taiāwhio noa.
Ko te hae me te ngangau
Meinga kia kore kau;
Waiho i te rongo mau
Aotearoa.</p> | <p>4. Let our love for Thee increase,
May Thy blessings never cease,
Give us plenty, give us peace,
God defend our free land.
From dishonour and from shame,
Guard our country's spotless name,
Crown her with immortal fame,
God defend New Zealand.</p> |
| <p>5. Tōna pai me toitū;
Tika rawa, pono pū;
Tōna noho, tāna tū;
Iwi nō Ihoa.
Kaua mōna whakamā;
Kia hau te ingoa;
Kia tū hei taurira;
Aotearoa.</p> | <p>5. May our mountains ever be
Freedom's ramparts on the sea,
Make us faithful unto Thee,
God defend our free land.
Guide her in the nation's van,
Preaching love and truth to man,
Working out Thy glorious plan,
God defend New Zealand.</p> |

Contributors and related websites

Cabinet Office – www.dpmc.govt.nz/cabinet

Chief Electoral Office – www.elections.org.nz

Crown Ownership Monitoring Unit – www.comu.govt.nz

Department of Internal Affairs – www.dia.govt.nz

Department of the Prime Minister and Cabinet – www.dpmc.govt.nz

Government House – www.gov-gen.govt.nz

Honours Secretariat – www.dpmc.govt.nz/honours

Human Rights Commission – www.hrc.co.nz

Local Government Commission – www.lgc.govt.nz

Local Government New Zealand – www.localgovtnz.co.nz

Ministry for Culture and Heritage – www.mch.govt.nz

Ministry of Foreign Affairs and Trade – www.mfat.govt.nz

Ministry of Justice – www.justice.govt.nz

New Zealand Government – www.beehive.govt.nz

Office of the Clerk of the House of Representatives – www.parliament.nz

Office of the Controller and Auditor-General – www.oag.govt.nz

Office of the Ombudsmen – www.ombudsmen.govt.nz

Office of the Parliamentary Commissioner for the Environment – www.pce.parliament.nz

Office of the Privacy Commissioner – www.privacy.org.nz

Parliamentary Counsel Office – www.pco.parliament.govt.nz

Parliamentary Service – www.parliament.nz

Public Trust – www.publictrust.co.nz

State Services Commission – www.ssc.govt.nz

Statistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

The Dominion Post

Dr Pita Sharples, Minister of Māori Affairs (left), accompanies China's Vice-Premier Li Keqiang at a welcome on Te Papa's marae in November 2009. Mr Li was briefed on marae protocol and sailed through without putting a foot wrong. While in New Zealand, Mr Li signed three memorandums of understanding with New Zealand's Government to tidy up free trade arrangements.

4 | International relations and defence

Relations with other countries

The New Zealand Government interacts with other governments and international institutions through the Ministry of Foreign Affairs and Trade Manatū Aorere (MFAT).

The ministry's mission is to advance and protect New Zealand's security and prosperity interests abroad. MFAT is responsible for providing government with policy advice on New Zealand's foreign affairs, international development, trade, and security interests. It represents and advocates New Zealand's views and positions to other countries and in international institutions and negotiations, and manages New Zealand's foreign affairs, trade, and aid relations with other countries. It also provides consular services to New Zealanders abroad.

The ministry is formally responsible for the administration of Tokelau, although Tokelauan institutions have had administration powers since 1994. MFAT also manages New Zealand's constitutional relationships with the Cook Islands and Niue. These relationships involve New Zealand's residual responsibilities for the external affairs and defence of both states, when requested, and for necessary economic and administrative assistance to Niue.

The ministry is also responsible for managing NZAID, New Zealand's official development assistance (ODA) programme. The government's strategic objective for New Zealand's aid is for sustainable development in developing countries – to reduce poverty and contribute to a more secure, equitable, and prosperous world. The core focus of the aid programme is sustainable economic development, with an increasing focus on the Pacific. About half New Zealand's ODA goes to development in the Pacific region.

MFAT consults and works closely with other government departments and agencies in pursuing New Zealand's interests abroad. It coordinates a whole-of-government approach for advancing national interests abroad.

A key area of collaboration is in furthering economic growth, particularly through building international connections – MFAT strengthens these connections and helps to increase trade by encouraging the flow of investment, skills, and technology to New Zealand. New Zealand Trade and Enterprise (NZTE) is a particularly important partner with its focus on improving the international competitiveness and capability of New Zealand business.

MFAT has a network of 53 diplomatic and consular posts to represent and pursue New Zealand's interests overseas. Multiple accreditations allow New Zealand representatives to cover 121 countries. People at these posts perform services on behalf of all government departments, and

provide a way to support their overseas activities. Around 108 staff from other government departments and agencies currently work alongside ministry staff at overseas posts. NZTE also manages eight consular offices in conjunction with the ministry.

The ministry's overseas posts offer assistance to New Zealanders overseas, whether travelling in an official or private capacity. MFAT maintains a website (www.safetravel.govt.nz) that provides travel advice and other consular information for New Zealanders.

Figure 4.01 shows where MFAT has diplomatic and consular representation.

Figure 4.01

New Zealand representation overseas



1 London, United Kingdom Ireland Nigeria	13 Warsaw, Poland Estonia Latvia Lithuania	21 New Delhi, India Bangladesh Nepal Sri Lanka	44 Tarawa, Kiribati Marshall Islands Federated States of Micronesia Palau
2 Madrid, Spain Holy See Morocco	14 Pretoria, South Africa Botswana Kenya Lesotho	22 Mumbai, India	45 Suva, Fiji Nauru Tuvalu
3 Paris, France Algeria	15 Cairo, Egypt	23 Bangkok, Thailand Cambodia Myanmar Laos	46 Nuku'alofa, Tonga
4 Brussels, Belgium Luxembourg	16 Ankara, Turkey Israel Jordan	24 Kuala Lumpur, Malaysia Brunei Darussalam	47 Apia, Samoa American Samoa
5 The Hague, The Netherlands Denmark Finland Norway	17 Moscow, Russia Kazakhstan Kyrgyz Republic Turkmenistan Ukraine Uzbekistan	25 Singapore Maldives	48 Niue
6 Geneva, Switzerland (permanent mission)	18 Riyadh, Saudi Arabia Bahrain Kuwait Oman Qatar United Arab Emirates	26 Ha Noi, Viet Nam	49 Rarotonga, Cook Islands
7 Stockholm, Sweden	19 Dubai, United Arab Emirates	27 Ho Chi Minh City, Viet Nam	50 Vancouver, Canada
8 Hamburg, Germany	20 Tehran, Iran Afghanistan Pakistan	28 Jakarta, Indonesia	51 Los Angeles, United States
9 Milan, Italy		29 Guangzhou, China	52 Mexico City, Mexico El Salvador Guatemala Venezuela
10 Rome, Italy Bosnia Croatia Cyprus Greece Malta Portugal Slovenia		30 Hong Kong (SAR)⁽ⁱ⁾ Macau (SAR) ⁽ⁱ⁾	53 Ottawa, Canada Barbados Guyana Jamaica Trinidad and Tobago
11 Berlin, Germany Austria Czech Republic Hungary Slovakia Switzerland		31 Beijing, China Mongolia	54 New York, United Nations
12 Vienna, Austria		32 Shanghai, China	55 New York, United States
		33 Manila, Philippines	56 Washington DC, United States
		34 Dili, Timor-Leste	57 Santiago, Chile Colombia Peru
		35 Seoul, Republic of Korea Democratic People's Republic of Korea	58 Buenos Aires, Argentina Paraguay Uruguay
		36 Tokyo, Japan	59 Brasilia, Brazil
		37 Port Moresby, Papua New Guinea	60 Sao Paulo, Brazil
		38 Melbourne, Australia	
		39 Canberra, Australia	
		40 Sydney, Australia	
		41 Honiara, Solomon Islands	
		42 Noumea, New Caledonia	
		43 Port Vila, Vanuatu	

(i) Special administrative region.

Source: Ministry of Foreign Affairs and Trade

The Pacific

New Zealand enjoys a close association with Pacific island nations. New Zealand has 10 diplomatic missions and consulates in the region and accreditation to a further six states and territories.

Special relationships exist between New Zealand and the Cook Islands, Niue, and Tokelau. Cook Islanders, Niueans, and Tokelauans are New Zealand citizens. The Cook Islands became a self-governing state in free association with New Zealand in 1965 and Niue followed in 1974. Tokelau is a non-self-governing territory of New Zealand.

Trade with Pacific island countries is important to New Zealand. Exports totalled \$1.3 billion in the year ending 30 June 2009.

Imports from Pacific countries have duty-free access on a non-reciprocal basis to both New Zealand and Australian markets under the South Pacific Regional Trade and Economic Cooperation Agreement. Efforts are being made to promote imports from the Pacific – by strengthening the ability of producers to take advantage of market opportunities in New Zealand.

Pacific Islands Forum (PIF) New Zealand has extensive links with Pacific regional organisations. It was a founding member of the South Pacific Forum, which was formed in 1971 to promote regional cooperation, particularly in trade and economic development. Renamed the Pacific Islands Forum in 1999, it has 16 members and provides an opportunity to discuss regional and international issues of interest, such as regional security, environmental issues, fisheries, and economic development. PIF countries meet annually at government-head level, with ministers and officials meeting through the year to consider specific issues.

The annual economic ministers' meeting is important to the PIF's work. Since the first meeting in 1995, ministers have agreed on an action plan that covers accountability principles; and reforms of the public sector, tariffs, and investment. Forum trade ministers also meet at least once every two years to further develop regional trade initiatives.

The Pacific Agreement on Closer Economic Relations covers all PIF countries, including Australia and New Zealand. It aims to develop closer trade and economic integration in the Pacific region.

The Pacific Island Countries Trade Agreement is a free trade agreement among PIF island countries. It came into force in 2003, but only became operational from 2007. As a result of the delays, the schedule for eliminating tariffs on intra-regional trade now extends to 2021.

New Zealand and Australia are engaged in negotiations with PIF island countries on a trade and economic development agreement, presently known as 'PACER Plus'.

Fisheries management The importance of fisheries as an economic resource in the Pacific led to completing the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean in September 2000. Work is underway on another multilateral agreement – the South Pacific Regional Fisheries Management Agreement, which will cover non-highly migratory fish species in the region. Pacific leaders also recognised the significance of fisheries for the region by issuing the Vava'u Declaration on Pacific Fisheries Resources at the 2007 PIF meeting in Tonga.

Other regional organisations New Zealand is a member of:

- the Forum Fisheries Agency – assists members with management development and conservation of the region's marine resources
- the Secretariat of the Pacific Community – helps promote economic and social development in the region through agriculture, marine resources, health, socio-economic and statistical services, and community education work
- the South Pacific Regional Environment Programme – focuses on protecting and managing environmental resources
- the Pacific Forum Line – facilitates regional trade through improved shipping links
- the South Pacific Applied Geoscience Commission – assists in assessing, exploring, and developing mineral and other non-living resources.

New Zealand has other links with the Pacific that cover official development assistance, defence, and disaster coordination. The France, Australia, and New Zealand arrangement is an important element in providing rapid emergency assistance in the event of a natural disaster (such as a tropical cyclone) in the region.

Aid New Zealand has bilateral aid relationships with 11 countries in the Pacific and provides support for regional organisations such as the Secretariat of the Pacific Community and the University of the South Pacific. Under its current Pacific strategy, regional programmes are divided into broad themes:

- achieving economic development
- strengthening governance
- improving health and education
- reducing vulnerability.

Security issues In the Pacific, security issues are characterised by internal and external challenges stemming from factors that include ethnic differences, economic disparities, land disputes, and

transnational crime. New Zealand has been extensively involved in regional efforts to resolve these security challenges, especially in Bougainville (1998–2003) and the Solomon Islands. New Zealand contributes police and military personnel, and civilian staff to the Regional Assistance Mission to the Solomon Islands.

Regional cooperation in security matters has been centred on the PIF and its regional security committee. The Biketawa Declaration, made by PIF leaders in 2000, assigned the forum's secretary-general a specific role in monitoring possible sources of conflict, and in developing methods of dispute settlement and conflict avoidance to prevent them developing into open conflict.

Australia

New Zealand's closest partnership is with Australia. The relationship is central to New Zealand's trade and economic interests, its defence, security, and foreign policy interests, and to the country's overall economic and social well-being. New Zealand is represented by a high commission in Canberra and consulates-general in Sydney and Melbourne.

The political framework for managing the relationship includes regular meetings between the New Zealand and Australian prime ministers, meetings between the ministers of foreign affairs, finance, and defence, and the annual Closer Economic Relations Ministerial Forum for key trade and economic ministers.

Complementing these meetings, business and community leaders from both countries – including relevant senior ministers and opposition spokespeople – meet annually at the Australia New Zealand Leadership Forum.

Trans-Tasman travel arrangement (TTTA) This arrangement enables New Zealand citizens to travel, live, and work in Australia, and Australian residents to receive similar access to New Zealand. A social security agreement negotiated with Australia, covering superannuation and severe disability, has been in effect since 2002. This preserves the ability of New Zealanders to live and work in Australia (and vice versa) under the TTTA, while allowing both governments to determine their own policies on access to all other social welfare benefits. Over 469,000 New Zealanders live in Australia and about 62,000 Australians live in New Zealand (2006 Census). More than a million New Zealanders cross the Tasman on short-term visits each year and the same number of Australians go the other way.

Trade Australia is New Zealand's most important trading partner. Australia is the single largest individual market for New Zealand merchandise and services exports. It is also the largest source of merchandise imports, and New Zealand's biggest source and destination for investment.

Help for neighbours

On 29 September 2009, Samoa and nearby Pacific countries were hit by a huge 8.3 magnitude earthquake, and a tsunami that left more than 150 people dead and hundreds more without homes.

New Zealand's Government sent a 30-strong medical team, and defence and police personnel to help the Samoan Government with immediate disaster response – medical care, search and recovering bodies, cleaning up, restoring a freshwater supply, and providing shelter.

This was followed by sending HMNZS *Canterbury*, loaded with tonnes of general aid, medical equipment, and plumbing and building supplies.

Several non-government organisations were also on the ground quickly. New Zealand Red Cross sent humanitarian aid workers and emergency supplies to colleagues in Tonga and Samoa. The Samoan Government put their local Red Cross team in charge of distributing aid.

Further response came from individuals and communities in New Zealand as awareness of the personal impact of the tsunami grew. Many New Zealand families had lost relatives or knew friends who had; others recalled a holiday on the now devastated beachfront.

Around the country thousands of Kiwis attended 'I love the islands' benefit concerts, which featured many of New Zealand's best musicians who donated their services and raised thousands of dollars.

Well-known sportspeople and teams lined up for games and passed the bucket around at fund-raising

Image removed due to copyright issues

Otago Daily Times

A conch shell is sounded at the Dunedin concert to raise money for tsunami-hit Samoa and Tonga.

league and golf matches. Small businesses collected through donation boxes, while individuals responded to phone and street appeals. With auctions, events in schools, and performances in bars around New Zealand, donations poured in to support Samoa's rebuilding.

By early November, health care was mainly back in the hands of Samoan medical staff, although New Zealand continues to provide long-term support for reconstruction in Samoa and Tonga through NZAID, the government's aid agency.

Source: nzherald.co.nz; stuff.co.nz

The Australia New Zealand Closer Economic Relations (CER) trade agreement was signed in 1983. Along with its associated arrangements and agreements, CER governs most trade and economic relations between the two countries. Free trade exists for goods and in nearly all service sectors, while a protocol on investment is under negotiation.

CER agreements and arrangements also address non-tariff trade matters, such as customs requirements, a joint food standards code (which has been in effect since 2002), the mutual recognition of goods and registration of occupations, an 'open skies' aviation market agreement, and include dialogues on other issues such as quarantine and biosecurity.

A major focus in the relationship is to create a seamless trans-Tasman business environment. Building on an agreement to coordinate business law that was signed in 2000 and updated in 2005, work is underway to reduce regulatory barriers and enhance the flow of goods, services, capital, and people through the single economic market work programme – endorsed by the prime ministers in 2009.

Security Australia is also New Zealand's closest and most important security partner. The alliance with Australia remains central to New Zealand's defence policies. Both governments are committed to achieving the highest possible level of cooperation with each other, while acknowledging the need for each to meet its own defence priorities. Australia and New Zealand have worked together closely in Timor-Leste, Bougainville, and the Solomon Islands.

Asia

New Zealand invests considerable resources in developing closer political relations with Asian neighbours. The country is represented at offices in Bangkok, Beijing, Dili, Guangzhou, Ha Noi, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, New Delhi, Seoul, Singapore, Shanghai, and Tokyo.

Cultural ties have grown rapidly. New Zealanders are increasingly coming into close contact with Asia and its people, through short-term visitors (tourists, students, and business people) and through immigration from the region to New Zealand. New Zealanders of Asian ethnicity are 9 percent of the total population and many ethnic communities maintain active links and connections with Asia.

The Government's Seriously Asia Fund aims to build links with rising Asian leaders and those well placed to influence public opinion. Long term, the trend towards closer integration in the Asian region, and the possibility of a future East Asia community that embraces both political and economic dimensions, is of particular significance to New Zealand.

Trade New Zealand's economic links with the region have grown rapidly. In the year ending 30 June 2009, Asia was home to six of New Zealand's top 10 markets for goods exports. The region takes 35.1 percent of New Zealand's merchandise exports by value, totalling more than \$15 billion for the June 2009 year. The global economic downturn has impacted on trade in tourism and education, but Asia remains a key services market, especially the large economies of North Asia. China was New Zealand's third-largest trading partner in the year ending June 2009 after Australia and the United States, with Japan in fourth place. South and South-East Asia are increasingly important markets for New Zealand. There are also significant flows of direct investment between Asia and New Zealand.

New Zealand's network of free trade agreements (FTAs) in Asia has expanded to include Singapore, Thailand, Brunei, and China. An agreement establishing a free trade area linking the Association of South-East Asian Nations, Australia, and New Zealand was signed in February 2009 and came into force in 2010, supplemented by a bilateral agreement with Malaysia. FTA negotiations with the Hong Kong Special Administrative Region were signed in March 2010 and those with the Republic of Korea are continuing.

Aid Asia is currently New Zealand's second priority for official development assistance (after the Pacific region). Assistance is channelled directly through programmes such as English language training, human resource development and capacity building, and disaster relief, as well as through regional agencies.

Asia New Zealand Foundation This organisation helps promote closer ties with Asia by supporting cultural, academic, and business engagement, including an extensive research programme. It receives funding from the New Zealand Government and corporate donors.

Association of South-East Asian Nations (ASEAN) New Zealand has a long-standing relationship with ASEAN (Malaysia, Indonesia, the Philippines, Singapore, Thailand, Brunei Darussalam, Lao PDR, Viet Nam, Myanmar, and Cambodia). New Zealand participates annually in the ASEAN post-ministerial conference, where key international and regional issues are discussed. In 2005, New Zealand formally acceded to the ASEAN Treaty of Amity and Cooperation, showing commitment to closer engagement with ASEAN, and with Asia more generally.

New Zealand has participated in the East Asia Summit since it began in 2005, which helps to build a deeper, more inclusive relationship with the region. The summit group includes the 10 ASEAN nations, plus China, Japan, the Republic of Korea, New Zealand, Australia, and India.

At the fourth summit in Thailand in October 2009, the 16 countries agreed their governments would consider a comprehensive economic partnership in east Asia (CEPEA). The CEPEA is a

Statistics NZ works globally

Statistics New Zealand is highly regarded within the international and regional statistical community. Staff expertise, a willingness to share information, and a reputation for delivering quality advice and systems is acknowledged in many parts of the world.

As well, Statistics NZ needs to engage internationally to maintain the systems and processes that ensure New Zealand's key economic, social, and environmental statistics meet high standards and are internationally comparable.

Statistics NZ is part of the Pacific community working to improve statistical capability in the region. The department supports a trade data collection and processing system in 12 Pacific countries and territories.

Along with the Australian Bureau of Statistics and development agencies, Statistics NZ provides technical assistance to Pacific countries, especially in Niue, Tokelau, and the Cook Islands.

Within Asia, Statistics NZ participates in forums at the Economic and Social Commission for Asia and the Pacific (ESCAP), and meetings of statisticians from the region.

Although effort is focused at a regional level, Statistics NZ has worked with national statistical offices in Korea, Japan, and Singapore. The contribution at a recent ESCAP meeting was acknowledged both within the region and at the United Nations Statistical Commission.

Work that determines statistical method, and forums for discussing wider statistical issues, usually occur in Europe or the United States.

Statistics NZ participates in several working groups and high-level forums that operate under the Organisation for Economic Co-operation and Development (OECD), the United Nations, and the International Labour Organization. Here too, Statistics NZ is seen as having considerable expertise that it is willing to share, such as in developing sustainable development indicators.

Statistics NZ's expertise is also sought from outside the Pacific-Asian region.

In 2009, Statistics NZ advised on setting up a labour market survey in Chile, a request from the OECD to access Chile's statistical system as a prerequisite for it becoming an OECD member. The Statistics Center of Abu Dhabi sought help on aspects of establishing a new statistical office.

Statistics NZ is one of many New Zealand agencies that provide help to other countries, particularly in the Pacific region.

Source: Statistics New Zealand

Working holidays abroad

Up to 100 young people aged 18 to 30 years can now visit Peru or Poland to work, holiday, or study for 12 months.

In August 2009 Peru embarked on a reciprocal working holiday scheme with New Zealand; in February 2010, Poland became the latest country to join up.

For Peru, the scheme will help young people from each country build their knowledge of two countries that look outward towards the Pacific region. The person-to-person link that the scheme encourages makes an important contribution to the quality of the relationship.

Peru is a focus country under the Ministry of Foreign Affairs and Trade's Latin America Strategy. The strategy was designed to strengthen political, trade, and economic links with Latin American countries. Peru and New Zealand are both members of the Asia Pacific Economic Cooperation, and Peru intends to take part in the expanding economic partnership that currently covers New Zealand, Chile, Singapore, and Brunei.

Working holidaymakers are able to have incidental employment during their visit, to supplement their income and broaden their contact with people in the host country.

Young people coming to New Zealand through the scheme make a positive contribution to the economy. Recent research found the majority of working holidaymakers are well educated, work in low-skilled jobs that would otherwise remain unfilled, and contribute more to the economy financially than they take out in income.

The network of working holiday schemes around the world covers nearly 30 countries, including five others in Latin America – Argentina, Brazil, Chile, Mexico, and Uruguay – and 13 others in Europe.

Source: Ministry of Foreign Affairs and Trade

Image removed due to copyright issues

The Dominion Post

United States Ambassador David Huebner responds to the Māori challenge during the ceremony at which he presented his credentials to New Zealand's governor-general in December 2009.

long-term objective, but if it eventuates, the agreement would be the world's largest free-trade area agreement.

Asia Pacific Economic Cooperation (APEC) New Zealand is an active player in APEC, a grouping formed in 1989 that draws together 21 economies from around Asia and the Pacific rim. APEC summits are held annually at leaders' level and its trade facilitation efforts have wide support. Some APEC members are promoting an Asia-Pacific free-trade region.

Security The ASEAN Regional Forum provides ministers from throughout the Asia-Pacific region with an opportunity to focus collectively on regional security issues. New Zealand is also a member of the Five Power Defence Arrangements, which brings together Malaysia, Singapore, the United Kingdom, Australia, and New Zealand.

An important part of New Zealand's contribution to regional security is its longstanding commitment to assist Timor-Leste, the youngest nation in the Asia-Pacific region. Since 1999, New Zealand has provided strong support for developing an independent and stable Timor-Leste, through peacekeeping, development assistance, and diplomatic efforts.

Americas

United States Shared values between New Zealand and the United States underpin close government and private sector contacts across a broad range of bilateral, regional, and multilateral activities. The United States is a key economic partner – one of New Zealand's three most important export markets and a major source of imports and investment. In multilateral trade discussions, the two countries advocate similar open-market philosophies.

The two countries have close cooperation in Antarctica, and on Antarctic and Southern Ocean issues that include safeguarding the environment, supporting the Antarctic Treaty system, and scientific research into key issues such as climate change.

In the Pacific, New Zealand and the United States work closely on issues of stability, security, and governance. Both countries have common interest in countering terrorism and its proliferation in the Asia-Pacific region and elsewhere.

Canada New Zealand and Canada enjoy a positive and close relationship, based on shared Commonwealth, United Nations, Asian, and Pacific interests.

The two countries cooperate closely on issues that include disarmament, international peacekeeping and security, policies in the Asia-Pacific region, and international economic matters. Canada is also an important market for New Zealand's agricultural products.

Latin America New Zealand aims to expand and deepen links with Latin America, to maximise economic opportunities for New Zealand in the region and to strengthen political and foreign policy engagement.

New Zealand has significant economic interests in Latin America. Exports (mainly dairy exports to Mexico, Venezuela, and Cuba) are worth around \$1 billion annually, and there is a strong investment and services relationship. The Trans-Pacific Strategic Economic Partnership agreement, which provides a framework for New Zealand's economic links with Chile (as well as Singapore and Brunei), was signed in July 2005.

Working holiday agreements with Chile, Argentina, Uruguay, Brazil, Peru, and Mexico have increased cultural links considerably. New Zealand also cooperates with Latin American countries in multilateral areas – including trade, the environment, Antarctica, disarmament, and fisheries.

Argentina, Brazil, Chile, Mexico, Peru, and Cuba have embassies in New Zealand, while New Zealand has embassies in Mexico, Chile, Brazil, and Argentina.

Caribbean New Zealand's relationship with the Caribbean is based largely on membership of the Commonwealth, of which many Caribbean states are members. Beyond this, New Zealand's relationship with the Caribbean is supported by direct cultural links, such as tourism.

European Union

The European Union (EU) is a major political and economic entity and a significant player in world affairs. It has 27 member states with a total population of 500 million. New Zealand's relationship with the EU was given renewed encouragement with the adoption of the Joint Declaration on Relations and Cooperation between the EU and New Zealand in 2007. The declaration sets out the directions in which the relationship has moved, and establishes new areas of cooperation that include trade talks, increased cooperation on environment and climate change issues, science and technology cooperation, and research and educational exchanges. New Zealand and the EU are discussing further enhancement of the political framework for the bilateral relationship by building on the 2007 declaration.

New Zealand, the EU, and its individual member states, cooperate on many international issues, particularly at the multilateral level. Ministers have political consultations twice a year with the EU presidency and the European Commission. Contact with the commission in Brussels, and with the European Parliament, is critical to maintaining New Zealand's profile in Europe.

New Zealand has important relationships with the EU's individual member states, including strong historical ties with the United Kingdom.

Enlargement of the EU in May 2004 and January 2007 to encompass states in Eastern Europe has resulted in increased contacts between New Zealand and these countries.

New Zealand has accreditations to all 27 EU member states. A New Zealand embassy was opened in Stockholm in July 2008 to support development of relationships with the Nordic states. New Zealand has nine bilateral embassies/high commissions in EU countries: in Berlin, Brussels, The Hague, London, Madrid, Paris, Rome, Stockholm, and Warsaw. There are consulates in Hamburg and Milan, and honorary consulates in a number of other European cities.

Trade The EU was an important trading block for New Zealand in the year ending June 2009. It is the largest market for a broad range of primary produce, including sheepmeat, butter, kiwifruit, apples, and venison. Successful negotiations in the Uruguay round on the General Agreement on Tariffs and Trade improved the volume and overall stability of New Zealand's access to the EU market.

Russia and the Commonwealth of Independent States

In 2009, New Zealand marked the 65th anniversary of diplomatic relations between New Zealand and the Russian Federation. New Zealand cooperates with Russia on international issues in multilateral and regional bodies such as the United Nations (UN), the Asia Pacific Economic Cooperation organisation, and the Association of South-East Asian Nations Regional Forum. It is closely involved in negotiations for Russia to join the World Trade Organization.

New Zealand has an embassy in Moscow, which is also accredited to Kazakhstan, the Kyrgyz Republic, Turkmenistan, Ukraine, and Uzbekistan, members of the Commonwealth of Independent States. An honorary consulate in Vladivostok covers New Zealand's interests in Russia's far-east.

Middle East and North Africa

Developments centred on the Middle East continue to have global strategic implications. Al Qaeda's attacks on the United States in 2001 prompted the US-led invasion and occupation of Afghanistan and the US-led invasion and occupation of Iraq.

New Zealand has embassies in Egypt (Cairo), Saudi Arabia (Riyadh), Turkey (Ankara), and Iran (Tehran), with cross-accreditations to Afghanistan, Bahrain, Israel, Jordan, Kuwait, Oman, Qatar, and the United Arab Emirates. Cairo is in the process of establishing accreditations to the Arab League, African Union, and Libya. The New Zealand consulate-general in Dubai is also the regional office for New Zealand Trade and Enterprise. In North Africa, New Zealand is accredited to Morocco from its embassy in Madrid, and to Algeria from its embassy in Paris.

Revenues from buoyant oil prices, boosted by continuing strong world demand, continue to feed investment in infrastructure development and demand for goods and services in the region.

Trade and economic interests New Zealand's trade with the Middle East and North Africa has been boosted in recent years on the back of high oil and food prices. The region is a valuable market for dairy, meat, wool, manufactured goods, and services, and an important source of crude oil, polymers, and fertilisers.

In the year ending June 2009, New Zealand's merchandise exports to the Middle East (Saudi Arabia, United Arab Emirates (UAE), Bahrain, Kuwait, Oman, Qatar, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey, and Yemen) totalled \$1.830 billion, compared with \$1.637 billion in the June 2008 year. Imports from the Middle East were valued at \$3.008 billion in 2009, compared with \$2.630 billion in 2008.

In North Africa (Algeria, Egypt, Sudan, Morocco, Libya, Tunisia, and Western Sahara), New Zealand's exports for the year ending June 2009 were worth \$759.7 million, compared with \$563.5 million in the June 2008 year. Imports from North Africa were valued at \$431.5 million in 2009, compared with \$322.4 million in 2008.

The growing importance of trade in the region is reflected by a free trade agreement being concluded in 2010 with the Gulf Cooperation Council (GCC) states (Saudi Arabia, UAE, Bahrain, Kuwait, Oman, and Qatar). Dairy exports are the mainstay of New Zealand exports to the region, but service exports are also increasing, as seen in the greater demand for New Zealand education services. The region remains a major potential source of and site for investment.

Security New Zealand personnel have served with the UN Truce Supervisory Organization in Israel, Egypt, Jordan, Lebanon, and Syria since 1954 and with the Multinational Force and Observers (MFO) in the Sinai since 1981. New Zealander Brigadier Warren Whiting became the MFO force commander in March 2010. New Zealand Defence Force personnel also serve with the International Security Assistance Force in Afghanistan and with UN missions in Afghanistan, Iraq, and Lebanon.

Afghanistan New Zealand maintains a strong commitment to restoring peace and security in Afghanistan. New Zealand supported the Bonn Process under which Afghanistan was returned to constitutional democratic government, and continues to support the partnership between the Afghanistan Government and the international community under the Afghanistan Compact. It has been involved in security and development efforts in Afghanistan since late 2001, supporting both the NATO-led International Security Assistance Force (ISAF) and Operation Enduring Freedom.

New Zealand helps provide security to Bamyan Province (200 kilometres west of Kabul) through command of the provincial reconstruction team there. It also contributes officers to ISAF headquarters and the UN Assistance Mission in Afghanistan. Police training and mentoring is provided in Bamyan, and army training in Kabul. NZAID runs national and provincial assistance programmes, with a focus on human rights, alternative rural livelihoods, education, and health care. New Zealand's military and development assistance for 2001–07 totalled more than \$160 million.

A comprehensive review of New Zealand's Afghanistan policy in 2009 considered international strategic reassessments, which had culminated in a conference in The Hague. As a result, Cabinet announced it would re-deploy the Special Air Service for 18 months, and would assign New Zealand's first ever resident ambassador to Kabul in 2010 and appoint a full-time development adviser to Bamyan. This appointment was to rebalance help in favour of civilian assistance, leading to a gradual phase-down of the military part of the reconstruction in Bamyan over the next three to five years.

Arab-Israeli conflict New Zealand continues to strongly support efforts to find a lasting solution to the Arab-Israeli conflict by encouraging dialogue, and supporting efforts towards a just, enduring, and comprehensive peace settlement. New Zealand continues to advocate for an Israeli and a Palestinian state coexisting side-by-side in peace and security, in line with relevant UN Security Council resolutions. New Zealand contributes \$1.0 million annually to the UN Relief and Works

Agency for Palestinian Refugees in the Near East (UNRWA). In 2008, New Zealand committed an additional \$3.5 million towards humanitarian efforts in the occupied Palestinian territories, half of which was channelled through UNRWA.

Sub-Saharan Africa

New Zealand's official relations with sub-Saharan Africa are mainly with the Commonwealth countries of southern and eastern Africa, with South Africa being the most significant.

New Zealand has one diplomatic mission in sub-Saharan Africa – the New Zealand High Commission in Pretoria, South Africa. This is accredited to 10 other southern and eastern African countries: Botswana, Kenya, Lesotho, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Zambia, and Zimbabwe. The New Zealand High Commission in London is responsible for relations with Nigeria.

Aid New Zealand has a long-standing involvement in development in Africa through NZAID, its official development assistance programme. NZAID's Africa Strategy 2008–17 was launched in November 2008. It is estimated that the total New Zealand assistance to the region is around \$20 million per year.

The NZAID programme also supports African people through funding for multilateral organisations, non-government organisations, humanitarian assistance, and scholarships and exchanges.

Security As part of peace-building operations in Africa, New Zealand has three defence force personnel at the United Nations mission in South Sudan.

Trade Sub-Saharan Africa accounts for only a small proportion of New Zealand's global trade. Exports to the region were valued at around \$896 million in the year ending 30 June 2009. Major exports to the region were dairy, malt, machinery, meat, and fish. South Africa and Nigeria were New Zealand's most important markets in the region. Imports in the year ending 30 June 2009 totalled \$227 million – miscellaneous food, paperboard, and vehicles and parts were the main imports.

Assistance to developing countries

NZAID programme

NZAID Ngā Hoe Tuputupu-mai-tawhiti provides the New Zealand Government's international aid and development programme. The Ministry of Foreign Affairs and Trade manages New Zealand's official development assistance and provides policy advice on international development issues.

The NZAID programme supports sustainable development in developing countries, to reduce poverty and to contribute to a more secure, equitable, and prosperous world. Sustainable development involves working with partner countries to help them meet their communities' present-day economic, social, and environmental needs without compromising the ability of future generations to meet their own needs. In the long term, this focus will allow countries to fund their own social services (eg health and education services) and further development activities.

The NZAID programme is an important way New Zealand can be a good international citizen. Helping to reduce poverty assists developing countries to fulfil their people's potential, and brings security and political gains for New Zealand and the international community.

The total budget allocation for NZAID was \$471.9 million in the 2008/09 financial year. Table 4.01 shows NZAID's spending on programmes for 2008/09.

The overall NZAID programme consists of 33 individual programmes for different countries and sectors, each with their own development challenges and objectives. The core geographic focus is the Pacific region, but there are also programmes in Asia, Southern Africa, and Latin America. Some NZAID programmes focus on themes of regional concern, such as economic growth, health, education, governance, human rights, and the environment.

New Zealand people are present in many countries in the NZAID programme – with both New Zealand and local staff who work together with New Zealand-based staff to administer, manage, and deliver New Zealand's aid programmes.

New Zealand is committed to providing effective aid, as agreed by the international development community. This includes support for the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

Pacific programme

New Zealand is a Pacific nation and links with its Pacific neighbours are long-standing and far-reaching. The Pacific region is where New Zealand has the scale, resources, people, and relationships that can influence positive and real change and make lasting differences in people's lives.

Table 4.01

Spending on NZAID programmes		
Year ending 30 June 2009		
Programme	Spending \$(million)	Percent of total
Pacific	236.60	51
Global	99.51	22
International agencies	92.57	20
New Zealand agencies	32.56	7
Total	461.23	100

Note: Figures may not add to stated totals due to rounding.

Source: NZAID

Image removed due to copyright issues

Ministry of Foreign Affairs and Trade

Primary school children in the Solomon Islands. NZAID is working with the local Ministry of Education and Human Resource to increase access to, and the quality of, primary education in the Solomon Islands. The NZAID programme includes teacher training and strengthening school infrastructure. With 40 percent of the population being under 15 years of age, quality education is essential for the country's development and stability.

Over half of NZAID's expenditure is in the Pacific region. An increasing proportion of aid is allocated towards activities focused on economic growth in the region. New Zealand's aid also focuses on development in the Pacific that includes:

- fostering sustainable economic growth and improved livelihoods for people
- investing in people through health and education
- strengthening governance, through improving the skills and knowledge of leaders and making state institutions stronger
- reducing vulnerability, through safer and more resilient communities that are better prepared for natural disasters
- helping reverse the growing incidence of lifestyle diseases and HIV and Aids
- meeting the basic needs of communities through providing access to clean water and good sanitation.

New Zealand's largest bilateral development programmes in the Pacific are in countries with the greatest basic needs: Papua New Guinea, Solomon Islands, and Vanuatu. There are also bilateral country development partnerships with Cook Islands, Tonga, Samoa, Kiribati, Fiji, and Tuvalu, and assistance to Niue and Tokelau that reflects New Zealand's constitutional commitments and close social ties. Assistance to Polynesia (Samoa, Tonga, and the Cook Islands) will increase modestly until 2011/12.

The NZAID programme supports the work of key regional agencies in the Pacific, including the Secretariat of the Pacific Community, the University of the South Pacific, the Pacific Applied Geoscience Commission, the Pacific Regional Environment Programme, the Forum Fisheries Agency, and the South Pacific Board for Educational Assessment.

Asia programme

Asia is home to two-thirds of the world's poorest people. New Zealand's programmes in the region are targeted to where they can make the greatest difference. South-East Asia is the NZAID programme's major geographic focus outside the Pacific. The Asia programme focuses on helping the region have a sustainable rural livelihood, which includes a strong emphasis on trade and development, basic education, and human resource development.

New Zealand, through its links in Asia, helps to meet development challenges in six priority countries – Indonesia, Viet Nam, Timor-Leste, Philippines, Cambodia, and Lao People's Democratic Republic.

The bilateral country programmes are closely aligned to partner-government priorities and are delivered through direct support to government agencies and multilateral organisations.

While the focus of the NZAID Asia programme is on South-East Asia, New Zealand continues to support activities in poorer western areas of China, and, through the New Zealand Development

Scholarships, countries in South Asia. These countries are also eligible for assistance from projects funded through NZAID's Kaihono hei Oranga Hapori o te Ao Partnerships for International Community Development scheme, and the Asia Development Assistance Facility – Partnerships for Sustainable Development.

Latin America programme

Despite strengthening democracy and encouraging signs of economic growth, the number of people living in poverty in the Latin America region remains high. New Zealand is a modest donor with limited capacity in Latin America. The emphasis of the NZAID programme in the region is to add value to the endeavours of those already working there.

NZAID's programme in Latin America focuses on two major priority areas: having a sustainable rural livelihood and governance. In 2008/09, \$5.5 million was allocated to support these development priorities in three sub-regions in Latin America:

- Andean Peru, Bolivia, and Ecuador
- Central America (El Salvador, Guatemala, Honduras, and Nicaragua)
- Brazil and the Southern Cone (predominantly Brazil, Chile, and Argentina but including Uruguay and Paraguay).

Africa programme

NZAID's Southern Africa Partnership Programme focuses on basic health and related aspects of life, including maternal and child health, nutrition, HIV and Aids; and the specific needs of vulnerable children, youth, and women. New Zealand is a modest donor in Africa, and so focuses its funding on three non-government organisations (NGOs) and a UN organisation working in Zambia and Zimbabwe to deliver relevant programmes.

The programme also supports postgraduate scholarships for African students and a Head of Mission Fund managed by the High Commissioner in South Africa. In the early 2000s the total flow of New Zealand aid funds to the partnership programme was \$4.7 million annually. This increased to \$7.0 million from the 2009/10 financial year.

Under the NZAID Africa strategy, the development relationship between South Africa and New Zealand is moving to one of mutual benefit, based on people-to-people and government-to-government exchange. As well as the Southern Africa Partnership Programme, New Zealand also provides humanitarian funding for emergencies and disasters, funds for New Zealand NGOs that support partners in the region, and core support to priority multilateral agencies – many of which fund initiatives in sub-Saharan Africa.

Afghanistan assistance

In Afghanistan, decades of war have taken their toll on the country's people and infrastructure. Through the NZAID programme, New Zealand is contributing to rebuilding efforts – Bamyan province is the focus of New Zealand's assistance. New Zealand supports local partners in a programme that focuses on having a sustainable rural livelihood, maternal and child health, education, and developing the provincial government and NGO staff, and also pays close attention to human rights and gender equity.

Image removed due to copyright issues

New Zealand Red Cross

Red Cross worker Joyce Hood outside a Kandahar hospital in Afghanistan. In March 2010, Ms Hood received the highest international honour in her profession for her work in war-torn parts of the world – the Florence Nightingale Medal, which is awarded by the International Committee of the Red Cross. Ms Hood has worked on 11 missions over 80 months in the volatile areas of Afghanistan, Iraq, and Timor-Leste.

Leader at the United Nations

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The Dominion Post

Helen Clark received the Order of New Zealand in February 2010. She now leads the UN Development Programme.

In April 2009, Helen Clark, formerly New Zealand's prime minister, became the administrator of the United Nations Development Programme (UNDP). The UNDP administrator is appointed by the secretary-general of the UN for a term of four years.

Miss Clark was welcomed at the UN by a delegation of Māori leaders led by King Tuheitia.

She is the first woman to take this leadership role. She also chairs the UN Development Group, a committee of the heads of all UN funds, programmes, and departments that work on development issues.

UNDP is the UN's global development network and the world's largest aid agency.

It advocates for long-term approaches to human development, investing in the abilities and potential of people and institutions to bring about sustainable positive changes. The organisation works in 166 countries, connecting them to knowledge, experience, and resources to help people build better lives.

Miss Clark said that her top priority would be strengthening UNDP's focus on poverty reduction and supporting countries to achieve the UN's Millennium Development Goals for 2015.

These goals are at the centre of UNDP's work. The goals promote poverty reduction, education, maternal health, gender equality, and aim at combating child mortality, HIV-Aids, and other diseases.

To achieve the goals, developing countries have pledged to govern better, and invest in their people through health care and education. Developed countries have pledged to support them, through aid, debt relief, and fairer trade.

Despite good progress against poverty in the 1990s and first part of the 21st century, the 2008–09 global recession may have limited or even reversed progress towards some of the goals. Developed countries' aid budgets are linked to gross national income, and where that has fallen, so too have aid budgets, meaning less aid money is available for organisations such as UNDP.

The millennium goals were reviewed at a high-level summit in September 2010. In the face of the global economic recession, the effects of food price increases, and climate change, the challenges are significant.

Source: www.undp.org

The NZAID programme has a three-year funding partnership with the Aga Khan Foundation, a locally based NGO, for its work in Bamyan. NZAID also supports the New Zealand Defence Force's Provincial Reconstruction Team's development activities, and a New Zealand Police mentoring and training programme in the region.

Humanitarian assistance

Crises can arise for many reasons including natural disasters, conflict, or collapse of governmental systems. New Zealand's first priority in a humanitarian crisis is to save lives, reduce suffering, and maintain human dignity during and in the aftermath of the emergency. The NZAID humanitarian and emergency assistance programmes ensure New Zealand can respond to natural or human-made crises. Through the NZAID programme, New Zealand provides annual core funding to key international humanitarian agencies, which enables them to respond to emergencies as they arise and provides additional funds in times of specific need.

New Zealand agencies

NGOs play a crucial role in sustainable development and addressing humanitarian needs worldwide. New Zealand-based NGOs work with their partners in many countries, to assist with community development and to deliver humanitarian assistance. The NZAID programme supports the New Zealand development-NGO sector and provides funding for NGOs with programmes that use partners on the ground overseas.

In the NZAID programme, the main support for work carried out by New Zealand NGOs and their partners overseas is through two funds: the Humanitarian Action Fund and Kaihonohei-Oranga-Hapori o te Ao – Partnerships for International Community Development. NZAID also provides core funding for Volunteer Service Abroad, the Council for International Development, Global Focus Aotearoa, and Trade Aid.

International agencies

New Zealand's international aid and development programme is part of the international system in which countries work together to reduce poverty and establish human rights for everyone. New Zealand's support for international development bodies, including United Nations agencies and financial organisations such as the Asian Development Bank and the World Bank, is delivered under NZAID's multilateral programmes.

NZAID funding to multilateral agencies is a proven and effective means for New Zealand to address poverty, conflict, governance issues, and humanitarian crises worldwide. The assistance focuses on reproductive and sexual health, women's and children's issues, supporting refugees, and helping countries to meet basic needs. The NZAID programme operates mainly with 10 key agency partners that share New Zealand's development assistance priorities and policies.

International organisations

United Nations

New Zealand was a founding member of the United Nations (UN) in 1945 and successive governments have continued to support it.

The UN is the principal global forum for maintaining peace and security. It strengthens relations among countries and encourages cooperation to solve economic and social problems. It has established an extensive international legal framework, fosters respect for human rights, and is a force for development.

The range and complexity of UN actions, including those of its specialised agencies, have grown steadily. New Zealand concentrates on areas where it has a useful role in matters directly affecting New Zealand's national interests, and where it can support efforts to secure lasting peace and security.

New Zealand is a strong advocate of international law and is actively engaged in the global debate on peace and security issues, disarmament, conflict prevention, sustainable development, the environment, and promoting human rights.

Many subsidiaries, specialised agencies, and related agencies, work within and alongside the UN system. New Zealand is a member of many of these including:

- Food and Agricultural Organization – aims to raise nutrition levels and improve food production and distribution, thereby contributing to an expanding world economy and freedom from hunger.
- International Labour Organization – seeks to promote rights at work, encourage decent employment opportunities, enhance social protection, and strengthen dialogue on work-related issues.
- World Health Organization (WHO) – aims to enhance human health. New Zealand completed a three-year term on the WHO executive board in 2010.
- UN Educational, Scientific and Cultural Organization – seeks to contribute to peace and security by promoting international collaboration in education, science, and culture.

- International Atomic Energy Agency – promotes development and transfer of peaceful nuclear technologies, builds and maintains a global nuclear safety regime, and assists global efforts to prevent nuclear weapon proliferation.

New Zealand is also active in the Comprehensive Nuclear-Test-Ban Treaty Organisation, and the Organisation for the Prohibition of Chemical Weapons.

Contributions to the UN Each member's contribution is based on its capacity to pay. In 2009, New Zealand contributed \$10.2 million in annual dues to the UN core budget plus \$26.0 million for peacekeeping and international tribunals. New Zealand's 2009 contribution was 0.256 percent of the UN budget. Contributions to the UN's specialised agencies vary, according to scales agreed to by each agency's members.

Human rights In May 2009, New Zealand presented a report on its human rights performance as part of the UN Human Rights Council's Universal Periodic Review. During the 64th session of the General Assembly in 2009, New Zealand co-sponsored country-specific resolutions relating to human rights situations of particular concern. These covered Iran, the Democratic People's Republic of Korea, and Myanmar. A resolution on the rights of people with disabilities, promoted by New Zealand and Mexico, received widespread support in a committee of the general assembly.

To comply with international human rights treaty obligations, New Zealand was examined on its fifth periodic report under the Convention against Torture in May 2009. In March 2010, the country was examined on its fifth report under the International Covenant on Civil and Political Rights. It also submitted its third report under the International Covenant on Economic, Social and Cultural Rights. In 2008, New Zealand submitted its third and fourth reports under the Convention on the Rights of the Child.

In September 2008, New Zealand ratified the new Convention on the Rights of Persons with Disabilities. After playing a lead role in negotiating the text of this convention, New Zealand had signed it in March 2007.

In April 2010, New Zealand moved to supporting the UN Declaration on the Rights of Indigenous Peoples, having voted against its adoption in 2007.

The International Court of Justice This court is the principal judicial body of the UN. It decides, in accordance with international law, cases submitted to it by states. In November 2005, Sir Kenneth Keith was the first New Zealander to be elected as one of the court's 15 members.

World Trade Organization

The World Trade Organization (WTO) is the only international organisation that deals with rules of trade among nations. It provides a single institutional framework over the General Agreement on Tariffs and Trade (which has been in force since 1948), and over the multilateral agreements that resulted from the Uruguay round of trade negotiations between 1986 and 1994.

The WTO has a code of rules and a forum in which its 153 member countries can discuss trade problems, and negotiate and enlarge world trading opportunities. It is based on principles that the trading system should be:

- Without discrimination – WTO members must treat each member as favourably as any other. This principle is particularly important for countries such as New Zealand, since it ensures that larger countries cannot adopt discriminatory trade policies (except for preferential free-trade areas and customs unions). Imported products must not be treated less favourably than domestic products with respect to internal taxes, regulations, and other requirements.
- Freer – barriers such as tariffs should come down progressively through negotiations.
- Predictable – businesses should be confident that trade barriers, including tariffs, non-tariff barriers, and other measures, will not be raised arbitrarily. Members make binding commitments not to raise trade barriers beyond current levels.
- Transparent – the WTO discourages less transparent instruments, such as quotas and import licensing, in favour of protection in the form of tariffs.
- More competitive – the WTO discourages unfair practices, such as export subsidies, and dumping products below cost to gain market share.
- More beneficial to less-developed countries – developing countries are allowed more time to adjust, with greater flexibility and special privileges to help their development objectives.

The highest decision-making level in the WTO is the ministerial conference, which meets every two years. In Doha, Qatar, the 2002 conference launched a new round of negotiations with the aim of concluding them by 1 January 2005. The round was termed the Doha Development Agenda, to acknowledge the importance of development issues to achieving further trade liberalisation.

Key provisions in the Doha declaration included agreement to improve market access for agricultural and non-agricultural (ie industrial) products and services, new mandates to negotiate to reduce fishing subsidies, and recognition of the relationship between WTO trade rules and multilateral environmental agreements. The declaration also referred to the work of the International Labour Organization, and to avoiding mandates that could weaken critical WTO disciplines, such as the Sanitary and Phytosanitary Agreement.

Tokelau's new flag

Image removed due to copyright issues

The new Tokelau flag (right) flies alongside the New Zealand flag at Parliament.

Tokelau's first official flag was launched in October 2009 at Parliament in Wellington, and, at the same time, unfurled on the atoll of Fakaofu to open a session of the General Fono (Tokelau's Parliament).

Until this moment, Tokelau had used the New Zealand flag for official occasions. While the new flag does not change Tokelau's status as a territory of New Zealand, it helps Tokelau further develop its identity as a distinct community within wider New Zealand.

The General Fono made a decision on the distinctive design of the flag in 2008, following a competition in 2007.

As part of the Commonwealth, through its relationship with New Zealand, the Queen's approval was required before the flag could be made official. Approval was granted, and in September 2009 New Zealand's governor-general presented the flag to Tokelau in a formal ceremony at Government House.

Tokelau's flag depicts a stylised Tokelauan canoe (in full sail) in yellow against a blue background. It also has the four stars of the Southern Cross in the same size and proportions as on the New Zealand flag.

Source: Ministry of Foreign Affairs and Trade

Real progress on the Doha round was not evident until the first half of 2004, when a political process made breakthroughs in agriculture that led to a 'framework' agreement being adopted in Geneva in July 2004. The agreement included advances on export subsidy elimination in agriculture, and progress on other issues. The declaration did not meet the 2005 deadline but intensive negotiations have continued since then.

The Commonwealth

The Commonwealth seeks to promote democracy and development for its members through shared customs and values and an active assistance programme. Commonwealth membership expanded to 54 states when Rwanda's membership was approved in November 2009.

New Zealand was a founding member of the Commonwealth in 1931 and is among the largest contributors to its budget. It has hosted the Commonwealth Games three times and the 1995 heads of government meeting in Auckland. New Zealand is currently serving on the Commonwealth Ministerial Action Group, established in 1995 to uphold shared standards and values among the Commonwealth's member states.

Former New Zealand Minister of Foreign Affairs, Rt Hon Sir Don McKinnon, served as Commonwealth secretary-general for two terms from 1999. When his term concluded in 2008, he was succeeded by H E Kamallesh Sharma of India.

Organisation for Economic Co-operation and Development

New Zealand joined the Organisation for Economic Co-operation and Development (OECD) in 1973. The OECD is a forum for democratic and market-oriented economies to study and develop economic, social, environmental, and development policies, with the ultimate aim of fostering prosperity and sustainable development.

The OECD works on almost all the key economic, social, and development issues on the international agenda. Its work programme includes projects on growth and innovation, agricultural policy reform, employment and social inclusion, sustainable development, green growth, ageing populations, education, information and communications technology, health care issues, and global trade liberalisation. OECD staff are among the world's leading authorities in these areas.

Based in Paris, the OECD has 31 members: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Republic of Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. In May 2007, the OECD invited Chile, Estonia, Israel, Russia, and Slovenia to begin negotiations towards becoming members of the OECD. Chile signed the OECD Convention in May 2010, to become the OECD's 31st member. Estonia, Israel, and Slovenia are expected to complete their accession processes in 2010, but not Russia.

The OECD has extensive cooperation programmes with key non-member countries, including Brazil, China, India, Indonesia, and South Africa, and regionally focused programmes in the Middle East and Africa.

An outreach programme with non-government organisations helps to explain how the OECD's goals and activities are designed to promote the economic well-being of all citizens – in both developed and developing countries.

New Zealand is a member of the International Energy Agency, an autonomous body within the OECD. The agency's primary focus is oil security among members, but its programme includes other energy issues. New Zealand is also a member of the Financial Action Task Force, an independent body in the OECD dedicated to combating money laundering and terrorist financing.

New Zealand territories

Tokelau

Tokelau consists of three small atolls in the South Pacific – Atafu, Fakaofu, and Nukunonu – with a combined land area of 12 square kilometres and a usually resident population of 1,466 (2006 Census). The central atoll, Nukunonu, is 92 kilometres from Atafu and 64 kilometres from Fakaofu. It is 480 kilometres north of Samoa.

The British Government transferred administrative control of Tokelau (then known as the Union Islands) to New Zealand in 1926. Formal sovereignty was transferred to New Zealand in 1948 by an act of the New Zealand Parliament. However, New Zealand statute law does not apply to Tokelau unless it is expressly extended. In practice, no New Zealand legislation is extended to Tokelau without consent.

Governance Tokelau is listed as a non-self-governing territory and is on the schedule of territories under supervision of the UN Special Committee on Decolonisation. The administrator of Tokelau is appointed by New Zealand's Minister of Foreign Affairs, and is responsible for administering the executive government of Tokelau. Under a constitutional change programme agreed in

1992, the role of Tokelau's political institutions has been re-defined and expanded. In 1994, the administrator's powers were formally delegated to the General Fono (National Parliament), and the Council of Faipule (now the Council for Ongoing Government) when the General Fono is not in session.

In 1996, the formal step of devolving legislative power was taken. The Tokelau Amendment Act 1996, by the New Zealand Parliament, allowed the General Fono to exercise rule-making power. This power is used primarily to manage major economic activities in Tokelau and for financial management of Tokelau's accounts.

The faipule are the lead representatives for external affairs for their respective villages (one on each atoll), and the ministerial portfolios they hold represent an extension of their formal responsibility. The Tokelau Village Incorporation Regulations 1986 gave legal recognition to each village and granted it independent law-making power.

In 2004, as part of the Modern House of Tokelau project, the administrator's powers were transferred from the General Fono to the three village councils (taupulega). The aim was to establish a governance system that was functional in the local setting, blending the modern with the traditional. The challenge was to devise a structure that properly established the village as the focus of social and economic activities, that delivered services within the village, and that integrated traditional decision-making processes with modern advice and support.

In October 2003, the General Fono instituted a number of constitutional and law changes, which included renaming the Council of Faipule to Tokelau Council for Ongoing Government. The council has six members, the three faipule and the three pulenuku (village mayors). The position of Ulu o Tokelau (leader of Tokelau) rotates each year among the three faipule.

Public services A review of Tokelau public services carried out in 2003/04 shifted responsibility for public services away from the national office in Apia, Samoa, back to the three atolls. The office in Apia has been restructured to help it better deliver services on a national basis and to provide a liaison point for international issues.

Finance Tokelau runs its own budget, and although it is currently heavily dependent on New Zealand for economic support, Tokelau has its own trust fund (\$58.5 million at February 2010). Tokelau is looking at ways of increasing its own revenue-earning capacity in areas such as fisheries licensing, handicrafts, tourism, and stamps and coins.

Self-determination In February 2006 and again in October 2007 Tokelau held self-determination referendums that were overseen by the UN. However, support by Tokelauan voters for a change of status to that of self-government in free association with New Zealand did not reach the level set by Tokelau for a change of status. Tokelau therefore remains a non-self-governing territory of New Zealand.

Ross Dependency

The Ross Dependency consists of the land, permanent ice-shelf, and islands of Antarctica below 60 degrees south and between 160 degrees east and 150 degrees west. New Zealand's Antarctic

50 years of cooperation

There were no birthday candles but in December 2009, the 47 parties to the Antarctic Treaty celebrated 50 years of cooperation in the world's southern-most continent.

The treaty is a unique model for international cooperation that ensures Antarctica is used only for peaceful purposes. It has helped to set aside potential disputes about sovereignty and has kept the continent effectively demilitarised – although military equipment and personnel can be used to support scientific research.

The freedom of scientific investigation in Antarctica that is upheld by the treaty has led to international cooperation. For example, scientists from the United States, New Zealand, Germany, and Italy recently collaborated on the ANDRILL project on the Ross ice shelf, to build understanding on the impact climate change is having on Antarctica.

New Zealand was one of 12 countries to sign the original treaty in 1959, after playing a prominent role in negotiations. New Zealand has a strong interest in maintaining peace and stability in its southern neighbour.

Since 1959, the treaty has been added to and other parties have signed up. The Protocol on Environmental Protection designates Antarctica as "a natural reserve, devoted to peace and science". It also prohibits the commercial exploitation of mineral reserves in the continent.

Under a 1980 convention, New Zealand has an important role in protecting marine species in the Southern Ocean. Royal New Zealand Air Force aircraft patrol the ocean to track down illegal, unreported, and unregulated fishers in the area.

Another challenge for treaty partners is managing Antarctica's tourism numbers, which grew from 12,000 to 46,000 in seven years. The sinking of a tourist vessel in Antarctic waters in 2007 was seen as a wake-up call to the possibility of a humanitarian and environmental disaster.

In December 2009, the treaty parties met not only to celebrate 50 years together, but experts were there to discuss how to manage ship-borne tourism in future.

Source: Ministry of Foreign Affairs and Trade

Image removed due to copyright issues

The New Zealand Herald

Scott's hut at Cape Evans on Ross Island in Antarctica is on the World Monument Fund's list of 100 most endangered sites. The hut was erected in 1911 by the British expedition that Robert Falcon Scott led, and when dug from ice and snow in 1956 was found in good condition. However time and the elements are challenging the hut's future. Urgent conservation work has begun on the hut and its contents, with funds coming from around the world to preserve this piece of Antarctic history. It is hoped work will be completed for the 2014 centenary of the Terra Nova expedition.

New vessels protect New Zealand's ocean riches

Image removed due to copyright issues

One of the navy's new inshore patrol vessels HMNZS Hawea.

On a calm January morning the grey hull of the navy's sleek new inshore patrol vessel (IPV), HMNZS *Hawea*, cuts through the pristine waters of the Marlborough Sounds.

Onboard is the ship's normal complement of 20 sailors, who are joined by specialist fishery officers from the Ministry of Fisheries.

Today their mission is patrolling the coastline and New Zealand's exclusive economic zone (EEZ) out to 25 nautical miles. They are on the prowl for poachers and other criminals exploiting New Zealand's ocean resources.

New Zealand has one of the largest EEZs in the world – extending from the sub-Antarctic to the sub-tropical Kermadec Islands. The oceans are a major economic resource for New Zealand – the fishing industry employs around 20,000 people and exports over \$1.35 billion of seafood every year.

But fisheries surveillance is just one of the tasks for the 55-metre long vessels. They were designed to work with other government agencies including Police, Customs, the Department of Conservation, and Maritime New Zealand.

The four new IPVs – the *Rotoiti*, *Hawea*, *Pukaki*, and *Taupo* – have a range of more than 3,000 nautical miles and are faster and more capable than anything previously owned by the navy.

As well as patrolling, the IPVs can carry out surveillance, boarding operations, and search and rescue. They also have a secondary role in New Zealand disaster relief.

When two new offshore patrol vessels, the *Otago* and *Wellington* enter service in 2010, the navy will have a fleet of 12 sophisticated, modern, versatile ships.

Source: New Zealand Defence Force

territory includes the Ross Ice Shelf, the Balleny Islands, Scott Island, and the landmass and islands within these longitudes to the point where they meet at the South Pole.

The land is almost entirely covered by ice and is uninhabited except for the people who are conducting or supporting scientific research programmes. New Zealand operates a permanent scientific research station, Scott Base, on Ross Island in the dependency.

New Zealand has exercised jurisdiction over the dependency since 1923, when an imperial order-in-council, made by King George V in London, granted executive and legislative power for the dependency to New Zealand's governor-general.

New Zealand actively participates in the Antarctic Treaty System, which consists of the 1959 Antarctic Treaty and associated agreements. The treaty system coordinates relations between states, with respect to Antarctica. Its primary purpose is to ensure Antarctica is used for peaceful purposes only and does not become the scene or object of international discord. The system designates Antarctica as "a natural reserve, devoted to peace and science"; promotes international scientific cooperation; bans mining, nuclear testing, and dumping nuclear waste; and bans deployment of military personnel (except to support peaceful purposes) in Antarctica.

Treaty system membership has grown from the 12 original signatories of the Antarctic Treaty (New Zealand was one) to 47 parties, 28 of which have consultative or decision-making status. Treaty parties meet regularly to consider issues within its framework, such as scientific and logistical cooperation and environmental protection measures, as well as the regulation of human activities, such as tourism.

People or groups going to the Ross Dependency, or who are departing for Antarctica from New Zealand (whatever their nationality), must, under the Antarctica (Environmental Protection) Act 1994, submit an environmental impact assessment to the Minister of Foreign Affairs. Permits are needed for certain Antarctic activities. Official expeditions of governments that are parties to the Antarctic Treaty are exempt from these requirements.

Fishing in the Ross Sea must be consistent with conservation measures adopted by the Commission for the Conservation of Antarctic Marine Living Resources, based in Hobart, Australia. New Zealand has conducted exploratory fishing for toothfish in the Ross Sea since 1997.

Defence

The governor-general of New Zealand is commander-in-chief in and over New Zealand. However, authority over New Zealand's armed forces is vested in the government. The Minister of Defence has responsibility for defence matters within the government.

The defence portfolio covers both the Ministry of Defence Manatū Kaupapa Waonga and the New Zealand Defence Force Te Ope Kaatua o Aotearoa. The chief of the defence force and the secretary of defence (the chief executive of the Ministry of Defence) both account to the Minister of Defence.

The Ministry of Defence is responsible for policy, and advice on funding for defence activities, major capability procurement, and repair. The secretary of defence is the government's principal civilian adviser on defence policy matters. The ministry also evaluates the performance of the New Zealand Defence Force.

New Zealand's armed forces consist of the Royal New Zealand Navy, the New Zealand Army, and the Royal New Zealand Air Force. These regular forces, together with territorial, reserve, and civilian personnel, constitute the New Zealand Defence Force.

The chief of the defence force is both the commander and chief executive of the New Zealand Defence Force and is the government's principal military adviser on defence matters. The chief is responsible for the New Zealand Defence Force's management of resources, the general conduct of the force, and chairs meetings of the executive leadership team and the chiefs of service committee.

The role of the chiefs of the navy, army, and air force is to raise, train, and maintain their respective services.

The commander of [the] joint forces in New Zealand has operational control of forces assigned to the joint force headquarters, and commands all New Zealand Defence Force operations and exercises, as directed by the chief of the defence force.

Close cooperation and consultation is required between the Ministry of Defence and the New Zealand Defence Force as the military and civilian advisory roles are complementary. There can be considerable overlap on defence, security, and capability issues. The office of the chief executives brings the secretary of defence and the chief of the defence force together to discuss policy issues. Executive governance boards oversee major New Zealand Defence Force capital equipment and infrastructure projects.

Ministry of Defence and New Zealand Defence Force defence expenditure is shown in table 4.02 and table 4.03 shows defence personnel numbers for 2000 to 2009.

Table 4.02

Defence expenditure				
Year ending 30 June				
Item	2006	2007	2008	2009
	\$ (000)			
Personnel costs	616,823	649,744	691,791	816,443
Operating costs	492,849	532,538	556,870	611,639
Depreciation	235,801	290,608	279,755	306,200
Capital charge	316,264	346,845	356,601	400,428
Total output expenses	1,661,737	1,819,735	1,885,017	2,134,710
Other expenses	0	1,665	1,940	2,819
Remeasurement expenses ⁽¹⁾	0	90,484	0	0
Total expenses	1,661,737	1,911,884	1,886,957	2,137,529
Less				
Other revenue	(16,552)	(17,339)	(17,094)	(20,465)
Profit on sale of assets ⁽²⁾	0	(1,765)	0	(11,355)
Net operating surplus/(deficit)	61	(85,968)	19,928	11,711
Revenue Crown-provided	1,645,246	1,806,812	1,874,992	2,083,494

(1) Non-cash technical adjustments. (2) Funds recovered by New Zealand Defence Force for long-term working capital.

Source: New Zealand Defence Force

Table 4.03

Defence personnel					
At 30 June					
Year	Regular force			Total	Civilians (NZDF and Ministry of Defence)
	Navy	Army	Air force		
2000	1,967	4,513	2,786	9,266	1,936
2001	1,893	4,580	2,624	9,097	1,877
2002	1,911	4,492	2,194	8,597	1,879
2003	1,969	4,388	2,245	8,602	1,923
2004	1,953	4,479	2,249	8,681	2,025
2005	1,910	4,438	2,266	8,614	2,092
2006	1,998	4,563	2,388	8,949	2,253
2007	2,034	4,580	2,437	9,051	2,321
2008	2,020	4,754	2,504	9,278	2,471
2009	2,104	5,003	2,595	9,702	2,722

Source: New Zealand Defence Force; Ministry of Defence

Defence policy

The Government's defence policy is to have a modern, professional, and well-equipped defence force with the military capability to meet New Zealand's objectives. The five key objectives for defence policy are to:

- defend New Zealand and protect its people, land, territorial waters, exclusive economic zone, natural resources, and critical infrastructure
- meet New Zealand's alliance commitments to Australia by maintaining a close defence partnership around common security interests
- assist in maintaining security in the South Pacific and provide assistance to New Zealand's Pacific neighbours
- play an appropriate role in maintaining security in the Asia-Pacific region, including meeting New Zealand's obligations as a member of the Five Power Defence Arrangements
- contribute to global security and peacekeeping by participating in United Nations (UN) operations, and other appropriate multilateral peace support and humanitarian relief operations.

While New Zealand may not face a direct military threat from another country in the foreseeable future, the security of the country and its citizens is threatened by non-military groups, such as terrorists, international criminals, and resource poachers.

Deploying New Zealand Defence Force personnel to trouble spots around the world demonstrates New Zealand's commitment to international peace and security. Since 2002/03, personnel have been deployed to Afghanistan, the Arabian Gulf, Africa, and the Middle East. Approximately 200 personnel are also deployed in Timor-Leste and Solomon Islands.

Disarmament

New Zealand's voice on disarmament and arms control is listened to with respect, due to its role in creating the UN, its opposition to nuclear testing, the establishment of a nuclear-free New Zealand, and practical contributions to UN peacekeeping and de-mining operations.

New Zealand also cooperates with other like-minded countries to exert wider influence. An example is membership of the New Agenda Coalition (Brazil, Egypt, Ireland, Mexico, New Zealand, South

'World's most peaceful nation'

In a world of measurements, being number one rates highly. In 2009 New Zealand did that.

The Institute for Economics and Peace, an Australian-based independent research institute, rated New Zealand as the world's most peaceful nation. It ranked just above Denmark and Norway, which were in second-equal place.

The 2009 measurements were made during the global economic crisis of 2008–09, a time when many indicators of peacefulness began to deteriorate.

The Global Peace Index (GPI) is in its third year of rating 144 nations by their absence of violence. Both quantitative and qualitative indicators from sources that are internal and external to the country are used to compile the index.

Indicators include a country's relations with neighbouring countries, its potential for terrorist attacks, the funding for UN peacekeeping, respect for human rights, and military expenditure.

GPI rankings have changed little over the three years. New Zealand was 4th in 2008 (Iceland was top), and 2nd in 2007 (Norway was 1st).

The institute wants the index to contribute to public debate on peace. The hope is that a quantitative measure of peacefulness, such as GPI, which is comparable over time, will help discussion about what nurtures and sustains peace.

In turn, this will assist world leaders to work together to better manage global challenges such as climate change or the lack of fresh water. Solving these issues requires global cooperation, for which peacefulness is a prerequisite.

In 2010, New Zealand again ranked at number one on the GPI, followed by Iceland (2nd) and Japan (3rd).

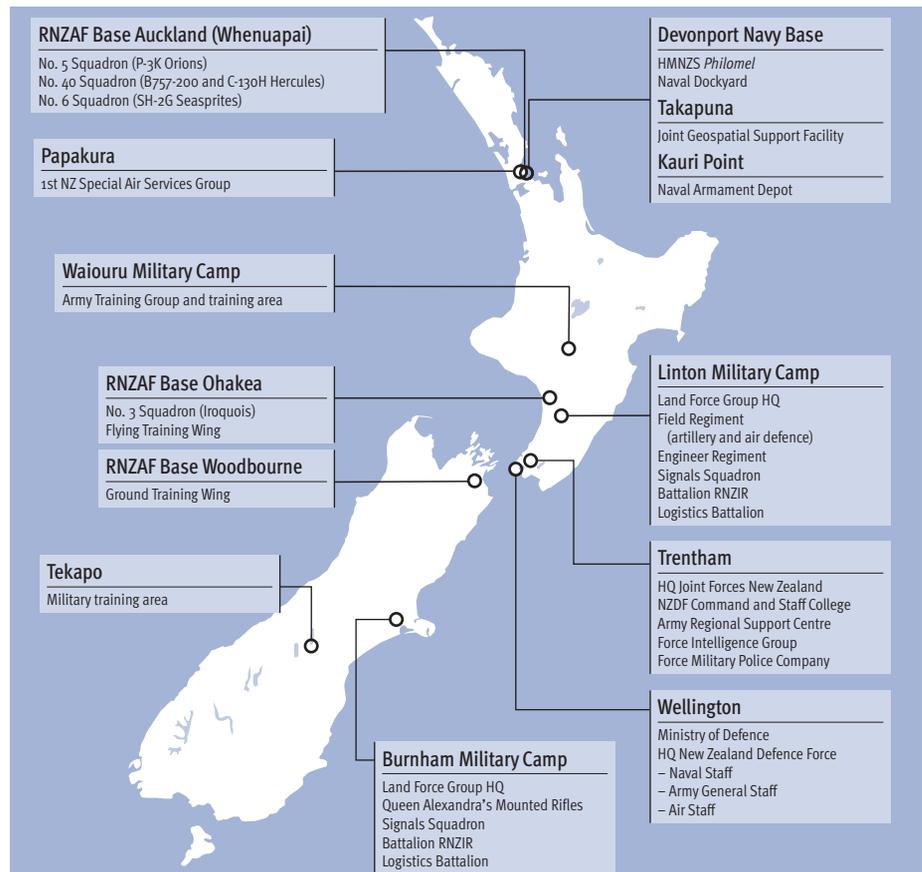
Global peace index

2009		
Country	Rank	Score
New Zealand	1	1.202
Denmark	2=	1.217
Norway	2=	1.217
Iceland	4	1.225
Austria	5	1.252
Sweden	6	1.269
Japan	7	1.272
Canada	8	1.311
Finland	9=	1.322
Slovenia	9=	1.322

Source: Institute for Economics and Peace

Figure 4.02

Principal defence force locations



Source: New Zealand Defence Force

Africa, and Sweden) – a strong advocate for multilateral progress towards nuclear disarmament. New Zealand is also deeply involved with international efforts to stop the illicit arms trade, and to regulate conventional weapons.

The Ministry of Foreign Affairs and Trade's international security and disarmament division is responsible for policy and treaty implementation. It prepares advice for the Minister for Disarmament and Arms Control, represents New Zealand at international meetings, and ensures that New Zealand's international legal obligations are implemented at the national level. The division also issues export permits for items on New Zealand's list of strategic goods.

Overseas-based ministry officers, including an ambassador for disarmament, are involved in negotiations and activities with disarmament organisations, mainly in Geneva, Vienna, New York, and The Hague.

The government values the views of New Zealand's non-government peace and disarmament groups. Their representatives join official delegations to international meetings, to contribute their advice and perspective on pursuing New Zealand's disarmament goals.

The Public Advisory Committee on Disarmament and Arms Control is a statutory body that was established under the New Zealand Nuclear Free Zone, Disarmament and Arms Control Act 1987 to:

- advise the Minister of Foreign Affairs on disarmament and arms control
- advise the prime minister on implementing the Act
- publish reports on disarmament and arms control matters and on implementing the Act
- make recommendations for grants from the Peace and Disarmament Education Trust, established from *Rainbow Warrior* compensation funds, and grant funding from the UN Disarmament and Education Implementation Fund.

The committee has nine members, including the Minister for Disarmament and Arms Control, who is the chair. The other eight are appointed by the Minister of Foreign Affairs for three-year terms.

Royal New Zealand Navy

The chief of the Royal New Zealand Navy Te Taua Moana o Aotearoa exercises full command of the navy. The fleet's operational elements are under the command of the commander joint forces New Zealand, through the maritime component commander. Individuals in these positions are

Image removed due to copyright issues

The Dominion Post

Navy personnel march at the treaty grounds in Waitangi as part of Waitangi Day celebrations on 6 February 2009.

based at joint forces headquarters in Trentham. The deputy chief of navy, based in Wellington, is responsible to the chief of navy for the navy's 'raise, train, and maintain' functions.

The naval base at Devonport, Auckland, (known as HMNZS *Philomel*), is the location for the navy's main naval barracks, wharf facilities, and administrative units; the naval hospital; and the naval supply and armament depots. The base also contains the naval dockyard – an engineering and support facility managed by a private company under contract. HMNZS *Wakefield* is the navy administrative unit in the Wellington area. Four Royal New Zealand Naval Volunteer Reserve units are in the main centres: HMNZS *Ngapona* in Auckland, HMNZS *Olphert* in Wellington, HMNZS *Pegasus* in Christchurch, and HMNZS *Toroa* in Dunedin. There is also a port headquarters in Tauranga (attached to HMNZS *Ngapona*).

Table 4.04 shows navy personnel numbers while table 4.05 lists the navy's ships and helicopters.

Table 4.04

Navy personnel					
At 30 June					
Category	2005	2006	2007	2008	2009
Regular force (all ranks)	1,910	1,998	2,034	2,020	2,104
Volunteer reserve (all ranks)	327	291	287	315	342
Total uniformed	2,237	2,289	2,321	2,335	2,446
Civilian employees	40	387	378	391	392
Total navy	2,277	2,676	2,699	2,726	2,838

Source: New Zealand Defence Force

Table 4.05

Navy vessels		
2010		
Ship/helicopter type	Name	Force
ANZAC-class frigates	<i>Te Kaha</i> <i>Te Mana</i>	Naval combat
Kaman Super Seasprite SH-2G (NZ) helicopter (x5)		
Amphibious support ship	<i>Canterbury</i>	Naval support
Logistics (fleet replenishment)	<i>Endeavour</i>	Replenishment force
Offshore patrol vessels	<i>Otago</i> <i>Wellington</i>	Offshore patrol force
Inshore patrol vessels	<i>Rotoiti</i> <i>Pukaki</i> <i>Taupo</i> <i>Hawea</i>	Inshore patrol force
Survey ship	<i>Resolution</i>	Hydrography
Diving support ship	<i>Manawanui</i>	Mine countermeasures force
Operational dive team		

Source: New Zealand Defence Force

New Zealand Army

The New Zealand Army Ngati Tumatauenga is organised, equipped, and trained to respond to lower-level contingencies in the Asia-Pacific region, or to contribute to a collective force such as a UN force. The army can provide a range of units and sub-units for deployments of up to a battalion-sized group.

The chief of army, under the chief of the defence force, has full command of the army and is assisted by the army general staff. Army general staff has both a policy-forming and policy implementation role.

The commander of joint forces New Zealand, through the land component commander, commands the army's operational elements. The land component commander has operational command of the 2nd Land Force Group (primarily based at Linton), the 3rd Land Force Group (primarily based at Burnham), and all other regular and territorial force units except for those elements assigned to the land training and doctrine group. This group (primarily based at Waiouru) reports directly to army general staff and is responsible for most individual training in the army.

Army specialist units, based at Auckland and Trentham, include the special air service group and three separate companies – military police, military intelligence, and explosive ordnance disposal. They operate under the land component commander.

Table 4.06 lists army headquarters and units and table 4.07 shows army personnel numbers.

Table 4.06

Army headquarters and units			
2009			
Headquarters/unit	Location	Role	
3rd Auckland and Northland battalion group	Auckland	Territorial force	
1st New Zealand special air service group	Auckland	Special forces	
6th Hauraki battalion group	Tauranga	Territorial force	
The army depot	Waiouru	Training	
Headquarters – Army training group	Waiouru	Command	
Land operations training centre	Waiouru	Training	
Officer cadet school	Waiouru	Training	
Queen Elizabeth II Army Memorial Museum	Waiouru	Museum	
7th Wellington and Hawke's Bay battalion group	Napier	Territorial force	
5th Wellington, West Coast, and Taranaki battalion group	Wanganui	Territorial force	
1st battalion royal New Zealand infantry regiment	Linton	Combat	
2nd engineer regiment	Linton	Combat support	
16 field regiment	Linton	Combat support	
Headquarters – 2 land force group	Linton	Command	
2 health services battalion	Linton	Combat service support	
2 logistics battalion	Linton	Combat service support	
2 signals squadron	Linton	Combat support	
1st New Zealand military intelligence company	Trentham	Combat support	
Force military police company	Trentham	Combat support	
Trentham regional support centre	Trentham	Static support	
1st New Zealand explosive ordnance disposal squadron	Trentham	Specialist forces	
Military Studies Institute	Trentham	Education & training	
Army general staff	Wellington	Command	
2nd/1st royal New Zealand infantry regiment	Burnham	Combat	
2nd Canterbury, Nelson, Marlborough, and West Coast battalion group	Burnham	Territorial force	
3rd field troop, engineers	Burnham	Combat support	
Headquarters – 3 land force group	Burnham	Command	
3 logistics battalion	Burnham	Combat service support	
Queen Alexandra's mounted rifles	Burnham	Combat	
3 signals squadron	Burnham	Combat support	
4th Otago and Southland battalion group	Dunedin	Territorial force	

Source: New Zealand Defence Force

Table 4.07

Army personnel					
At 30 June					
Category	2005	2006	2007	2008	2009
Officers	746	775	804	805	827
Other ranks	3,692	3,788	3,712	3,949	4,176
Total regular force	4,438	4,563	4,516	4,754	5,003
Territorial force (all ranks)	1,888	1,912	1,826	1,690	1,709
Total uniformed	6,326	6,475	6,342	6,444	6,712
Civilians	706	745	693	689	722
Total army	7,032	7,220	7,035	7,133	7,434

Source: New Zealand Defence Force

Royal New Zealand Air Force

The Royal New Zealand Air Force (RNZAF) provides military air capability on behalf of the New Zealand Government. This capability is characterised by the RNZAF's swift response, long reach, and flexibility. By 2014, the RNZAF will introduce 28 new or upgraded aircraft to six different fleets.

The RNZAF is organised around three bases, as well as the air staff in Wellington and the air component commander and staff at joint force headquarters, Trentham.

RNZAF day-to-day operations are directed by the air component commander at joint force headquarters. The air component commander's staff include specialists for the air force's force elements – maritime patrol, fixed wing, and rotary wing transport.

Air staff is located within New Zealand Defence Force headquarters. This small unit consists of the chief of the air force and a specialist command team. Together they provide advice to the chief of the defence force on the roles and operations of the air force, within the wider New Zealand Defence Force.

The RNZAF's three bases are located at Whenuapai (Auckland), Ohakea (near Palmerston North), and Woodbourne (near Blenheim). Each base is home for specialised units, but can host other units for exercises or operations.

Table 4.08 lists active air force aircraft and table 4.09 (overleaf) shows air force personnel numbers.

Table 4.08

Active air force aircraft		
2010		
Aircraft	RNZAF base	Force
P-3K Orion (x6)	Auckland	Maritime patrol force
Boeing 757-200 (x2)	Auckland	Fixed wing transport force
C-130H Hercules (x5)	Auckland	Fixed wing transport force
SH-2G (NZ) Super Seasprite (x5)	Auckland	Naval helicopter force
Bell UH-1H Iroquois (x13) ⁽¹⁾	Ohakea	Rotary wing transport force
Bell 47G Sioux (x5) ⁽²⁾	Ohakea	Flying training
CT-4E Air Trainer (x13)	Ohakea	Flying training
Beechcraft King Air B200 (x5)	Ohakea	Flying training

(1) A Ministry of Defence project to replace this helicopter fleet with NH 90 MUH helicopters has begun. (2) A Ministry of Defence project to replace this helicopter fleet with A109 LUH helicopters has begun.

Source: New Zealand Defence Force

Anzac Day remembered around the world

Image removed due to copyright issues

The Dominion Post

Dahnyelle Hinemaurea Rogan-Ngata (left) and Blue Riley were winners in an Anzac Day poster competition run by the New Zealand Defence Force in 2009.

On 25 April 2010, New Zealand Defence Force (NZDF) people joined other Kiwis in places as diverse as Gallipoli, New York, Beijing, Riyadh, Afghanistan, and Timor-Leste to mark one of New Zealand's most significant days – Anzac Day.

They were also present at many of the dawn and civic ceremonies held at war memorials and town halls throughout New Zealand.

Chief of Defence Force Lieutenant General Jerry Mateparae was at services in Gallipoli, along with Prime Minister John Key.

"Anzac Day is a day to honour the sacrifice of servicemen and women who gave their lives in the cause of peace not only at Gallipoli but in other conflicts," Mr Mateparae said.

"Today the Anzac spirit forged on these shared battlefields continues with NZDF personnel working alongside our Australian counterparts on operations and exercises around the world.

"Anzac Day is also a day when many New Zealanders reflect on what it means to be a Kiwi and the values we hold dear – like mateship, courage, and loyalty," he said.

On Anzac Day 2010, there were 1,112 NZDF personnel serving overseas on operations, UN missions, and defence exercises.

The 111 Kiwis in Bamyán Province, Afghanistan took part in a dawn ceremony at Kiwi Base, while five New Zealanders in Kabul were part of a multinational ceremony there.

Four New Zealanders in South Korea met with Australians for a dawn service at the Korean National War Memorial.

In Sudan, the single officer was at the Commonwealth war graves service in Khartoum, where one New Zealand serviceman is buried.

The 28 Kiwis in Egypt participated in dawn services at North Camp in the Sinai and the Commonwealth War Cemetery in Cairo. Multinational force observers were also at the service in Jerusalem, along with eight New Zealanders who work for the United Nations Treaty Supervision Organisation in the Middle East.

The sole New Zealander in Iraq commemorated the day with the Australian forces.

Closer to home, the 157-strong contingent in Timor-Leste participated in dawn services with their Australian comrades, before challenging them to a sporting event in the afternoon.

Eight Kiwis in the Solomon Islands also joined an Australian contingent in a dawn parade and service.

The 215 personnel on HMNZS *Endeavour* and HMNZS *Te Kaha* attended services at the Kranji War Memorial service in Singapore and in Kuala Lumpur.

HMNZS *Canterbury* sailors, and army and air force personnel in New Caledonia, were at the Pacific war graves service.

New Zealand defence attaches attended services in the countries they are based in – including Singapore, Saudi Arabia, Canada, and Japan.

Source: New Zealand Defence Force

Table 4.09

Air force personnel					
At 30 June					
Category	2005	2006	2007	2008	2009
Officers	541	577	600	613	656
Other ranks	1,725	1,811	1,837	1,891	1,939
Total regular force	2,266	2,388	2,437	2,504	2,595
Territorial force (all ranks)	28	25	191	192	198
Total uniformed	2,294	2,413	2,628	2,696	2,793
Civilians	376	408	379	394	422
Total air force	2,670	2,821	3,007	3,090	3,215

Source: New Zealand Defence Force

International defence relationships

Australia A close defence relationship with Australia is a key policy objective for the New Zealand Government. New Zealand and Australia share a strong commitment to the security and stability of the Asia-Pacific region, as reflected in combined efforts in Bougainville, Timor-Leste, and Solomon Islands. The security relationship between Australia and New Zealand is embodied by the Closer Defence Relations policy, adopted in 1991 and actioned through cooperative activities.

Five Power Defence Arrangements Concern about security arrangements in South-East Asia led to the establishment of the Five Power Defence Arrangements (FPDA) agreement in 1971. The FPDA involves New Zealand, Australia, Singapore, Malaysia, and the United Kingdom. Consultation between members contributes to the security of Malaysia and Singapore and to the long-term stability of the region. Exercise programmes between members increase the ability of the five countries' armed forces to operate with each other. Defence ministers and defence chiefs meet regularly and there are other exchanges.

The exercises and contacts that New Zealand has with FPDA partners are an important part of the New Zealand Defence Force's training programme. They have expanded in recent years. The FPDA evolves to meet the challenges of the changing security environment – attention is now given to combating non-traditional threats such as maritime terrorism, piracy, and people smuggling. Scenarios based around these threats are being introduced into exercises.

Mutual Assistance Programme Most South Pacific countries, some members of the Association of South-East Asian Nations, and Timor-Leste participate in the New Zealand Defence Force's Mutual Assistance Programme.

Through training cooperation and advisory assistance, the programme contributes to the effectiveness of the defence forces and law enforcement agencies in the South Pacific region. At times, the programme also supports development projects in the South Pacific by using the engineering and trade skills of the armed forces. Training is provided in New Zealand, and training and technical teams are deployed overseas. Military instructors are attached to other armed forces in the Cook Islands, Samoa, Tonga, Vanuatu, and Malaysia for up to two years.

Defence diplomacy To foster international defence and security relationships, New Zealand has defence representatives attached to overseas diplomatic missions, with some being accredited to more than one country. New Zealand has defence representatives in Australia; Canada; China; Indonesia/Philippines/Timor-Leste; Malaysia/Brunei; Papua New Guinea/Solomon Islands/Vanuatu; Japan; Korea; Saudi Arabia/Qatar/Bahrain/United Arab Emirates/Oman/Afghanistan/

Image removed due to copyright issues

The Dominion Post

Army personnel in a training exercise in New Zealand before heading to Afghanistan. One officer, wearing a turban, is in the role of a village head involved in negotiations.

Kuwait; Singapore; Thailand/Laos/Cambodia/Viet Nam; United Kingdom/Germany/France/Belgium/Italy/Ireland; and the United States. A defence representative based in Wellington is accredited to smaller Pacific countries.

Military representatives are also accredited to multilateral bodies, including New Zealand's United Nations New York mission, and the headquarters of the Integrated Area Defence System in Malaysia. A representative in the United Kingdom is accredited to the European Union and the North Atlantic Treaty Organisation. A number of countries have military representatives attached to their diplomatic missions in Wellington, or accredited to, but not resident in, New Zealand.

Armed forces overseas

At 2 October 2009, New Zealand had armed forces serving in the following parts of the world.

United Nations Truce Supervisory Organization (UNTSO) New Zealanders have been serving as UN military observers with UNTSO since 1948. UNTSO was formed to supervise truces stemming from the first Arab-Israeli war. The organisation's main purpose now is to monitor the various armistices and peace agreements, and use its positive influence to mediate between the disputing parties.

Groups of UNTSO observers are also attached to the UN's disengagement force on the Golan Heights and the UN's interim force in Lebanon. New Zealand Defence Force personnel are based in Damascus, Tiberias, Nahariya, and at UNTSO headquarters in Jerusalem. They usually work at observation posts between frontline regular forces on both sides of international borders. They are not normally involved with the continuing clashes between Israeli and Palestinian forces in the Gaza Strip and on the West Bank.

New Zealand observers are drawn from all three services and may include female and territorial force officers. The Cabinet reviews New Zealand's contribution to UNTSO periodically. Currently, there are eight defence force personnel serving with this mission.

Timor-Leste In 1999, the Indonesian Government agreed to hold a vote in East Timor to enable the population to decide their future. New Zealand military personnel and civilian police have since participated in various UN missions in Timor-Leste to halt violence and to support stability in the region. Most New Zealand troops had been withdrawn by 2002, although a mutual assistance programme was established in 2005 to provide a framework for training assistance in the longer term. Following unrest in 2006, New Zealand, together with Australia, recommitted personnel to a joint task force. Currently, 152 defence force personnel are deployed in Timor-Leste.

Afghanistan The New Zealand Defence Force has 140 personnel deployed in the central Afghanistan province of Bamyan, serving in the New Zealand provincial reconstruction team. Three personnel are attached to the International Security Assistance Force headquarters in Kabul, and another officer works as a military liaison officer to the UN Assistance Mission to Afghanistan. Two personnel serve at the headquarters of the Combined Forces Command Afghanistan and Coalition Joint Task Force 76. Two more defence force personnel assist in training the Afghan army as part of the Kabul-based United Kingdom Afghan national army training team. There is also a contingent from New Zealand's special air service group in Afghanistan. Three officers are based at central command headquarters in Florida to provide planning advice and support for New Zealanders contributing to Operation Enduring Freedom in Afghanistan.

Regional Assistance Mission to the Solomon Islands (RAMSI) The mission was established following a request from the Solomon Islands' prime minister in July 2003 for help to restore security, particularly on the islands of Guadalcanal and Malaita. RAMSI is an Australian-led mission with Australian, Papua New Guinean, Fijian, New Zealand, and Tongan officials, elements of the Australian and New Zealand defence forces, and police officers from Australia, New Zealand, and Pacific countries. New Zealand initially contributed 230 personnel to RAMSI, although the mission was later scaled down. The New Zealand Defence Force deployed a 30-strong platoon and three support people between November 2004 and February 2005, and another infantry platoon in 2006. Currently, 44 defence force personnel are in the Solomon Islands.

Multinational Force and Observers (MFO) The MFO mission in Sinai began in 1981 to verify compliance with the 1979 peace treaty between Egypt and Israel. Eleven countries contribute to the MFO. New Zealand's 26-strong contingent has a training and advisory team, a heavy transport section, engineers, and staff officers.

Arabian Gulf Six New Zealand Defence Force personnel are based in the Arabian Gulf to provide logistical support to defence force operations in the region.

Republic of Korea Three New Zealand officers serve with the UN Command Military Armistice Commission in the Republic of Korea.

Sudan Two military observers and one staff officer serve with the UN Mission in Sudan.

Iraq One officer works as a military liaison adviser with the UN Assistance Mission in Iraq.

Antarctica Defence force personnel serve at McMurdo Sound each Antarctic summer, but are withdrawn during the winter.

Casualties There have been five fatalities among New Zealand Defence Force personnel serving in UN observer and peacekeeping missions since the force began participating in such missions.

Responding to nature's fury in the Pacific

In the space of just six months the New Zealand Defence Force mobilised its people and equipment to respond to three devastating natural disasters in the Pacific region.

The first was a response to the earthquake and tsunami that struck Samoa and Tonga on 30 September 2009. Over 150 defence force people were deployed – medics and environmental health officers, engineers, air crew, navy divers, and grief counsellors.

The defence force also committed major assets to the disaster relief and recovery effort.

A Royal New Zealand Air Force P3 Orion aircraft arrived on the day of the tsunami and immediately began reconnaissance and aerial searches of the Samoan and Tongan coastlines. In the following days the air force used other aircraft to deliver medical equipment and general aid – including tents, food, water, and shelter boxes.

Meanwhile, the HMNZS *Canterbury* sailed from Auckland to deliver around 225 tonnes of general aid, medical equipment and supplies, plumbing and electrical supplies, as well as power and fale (house) poles to Tonga and Samoa.

Then in February 2010 the defence force provided disaster relief in the wake of tropical cyclone Pat, which struck the Cook Islands. Nearly 50 personnel from the army and air force were deployed for Operation Cook Island Assist.

A C130 Hercules aircraft airlifted 40 tonnes of aid to the island of Aitutaki. This included a water purification plant, two bobcat diggers, emergency shelters and tents, water containers, food, blankets, and electrical cabling.

In March 2010, the defence force was again rolling up its sleeves to work with its FRANZ partners – France and Australia – and the Fiji authorities, to deliver aid and humanitarian assistance to Fiji's northern islands after cyclone Tomas.

Source: New Zealand Defence Force

Image removed due to copyright issues

New Zealand Defence Force

A small digger is unloaded from an RNZAF C130 Hercules at Aitutaki airport in the Cook Islands. Defence personnel were responding to a cyclone that devastated the island in early 2010.

Community assistance

New Zealand Cadet Forces Community-based youth groups, the cadet forces, include the Sea Cadet Corps, the New Zealand Cadet Corps, and the Air Training Corps. In 2008/09, the New Zealand Defence Force supported 102 cadet units with a total strength of 3,910 cadets and 350 officers. These groups receive assistance from the defence force and support from the Sea Cadet Association of New Zealand, the Cadet Corps Association of New Zealand, the Air Training Corps Association of New Zealand, community organisations, and the Royal New Zealand Returned and Services Association.

Limited service volunteers Volunteer training courses have been run by the army since 1995, and additional staffing support has been provided by the navy and air force since 1998. The programme has offered 144 positions on five courses each year. It provides unemployed people between the ages of 17 and 25 years with six weeks of residential motivational training in a military cultural environment – teaching them outdoor activities and general life skills. The programme is being expanded in 2010.

Disaster relief The New Zealand Defence Force provides help to civil authorities after natural disasters in New Zealand, the Pacific, and South-East Asia. Assistance includes surveying the damage; transporting relief, food, and medical supplies; and providing medical, engineering, and communications services.

Following the 30 September 2009 tsunami that killed many Samoans, Tongans, and visitors, the New Zealand Defence Force flew in medical and relief teams, two Iroquois helicopters, and sent reconstruction help by ship (HMNZS *Canterbury*). Earlier in the year, the defence force sent HMNZS *Manawanui* and dive teams to help investigate the sinking of the Tongan ferry *Princess Ashika*, and C-130 aircraft transported environmental hazard containment equipment to Samoa to support Maritime New Zealand.

The defence force can also be called on for post-cyclone damage assessment, and army engineers, usually working through the Ministry of Foreign Affairs and Trade's NZAID programme, may be used in a limited way for reinstating some infrastructure.

Fisheries protection New Zealand's 200-mile exclusive economic zone (EEZ) is patrolled by the air force's P-3K Orions and by navy vessels. Patrols are planned and coordinated with the National Maritime Coordination Centre, which is integrated with the defence force's joint force headquarters. Information from surveillance patrols is passed to the Ministry of Fisheries – fishery officers are sometimes carried on board aircraft or ships when patrols are conducted. The air force conducted patrols in the New Zealand and South Pacific EEZs during 2008/09 and also patrolled the Southern Ocean. Navy fisheries protection and border surveillance patrols will increase now that four new inshore patrol vessels are in service. Two new offshore patrol vessels entered service in 2010.

Search and rescue All three New Zealand Defence Force services maintain a search and rescue capability. Naval and air units are on 24-hour standby, and provide personnel and advice to the Rescue Coordination Centre in New Zealand when needed. The navy and air force assist in sea searches, while the army and air force help the Police in land searches and rescues. The air force also carries out a small number of emergency medical evacuations throughout New Zealand, the South Pacific, and Antarctica. In 2008/09, the air force recorded 200 flight hours for Orion and Iroquois search and rescue operations and exercises.

Operation Antarctica The New Zealand Defence Force supports Operation Antarctica by providing airport terminal services (aircraft loading and passenger processing) at Christchurch; communications, light engineering construction, airdrop load-rigging, and ship offload support personnel to Antarctica; and C-130 air transport. More than 40 personnel were based at Christchurch airport, and more than 100 at McMurdo Station and Scott Base in Antarctica for varying periods during the 2008/09 Antarctic summer season (September to February). To support Operation Antarctica, RNZAF C-130 aircraft made seven return flights to the ice, carrying 145 passengers and more than 29,000 kilograms of freight for the United States and New Zealand Antarctic programmes. The flights supported the shared logistics pool arrangement.

Border surveillance The navy and air force support the New Zealand Customs Service to maintain border security and reduce the risks that could arise from the movement of people, goods, and craft into and out of New Zealand. On request, the defence force will also patrol the EEZs of other Pacific Island Forum countries.

South Pacific patrol flights are carried out for military surveillance and EEZ protection purposes. Unclassified results of these flights are shared with Pacific island countries and the Forum Fisheries Agency. Seats on these flights are frequently made available for citizens of Pacific island countries. All patrols are coordinated with Australian and French military authorities.

Following the recent introduction of the navy's new offshore and inshore patrol vessels, the New Zealand Defence Force's liaison with the customs service will increase in importance.

Other assistance The New Zealand Defence Force provides a variety of help to other government agencies that includes re-supply operations for the Department of Conservation, providing bands and other personnel for state ceremonies, flying senior government members to local and overseas destinations, disposing of explosives, and providing helicopter and logistic support to the Police.

Inspector-general of intelligence and security

The inspector-general of intelligence and security helps the prime minister oversee and review the Security Intelligence Service and the Government Communications Security Bureau. The inspector-general's focus is on the lawfulness of each organisation's activities, and ensuring any complaints are independently investigated. The inspector-general is appointed by the governor-general on the recommendation of the prime minister following consultation with the leader of the opposition.

The New Zealand Security Intelligence Service

The New Zealand Security Intelligence Service (NZSIS) provides the government with timely and accurate intelligence and advice on national security issues within the terms of the New Zealand Security Intelligence Service Act 1969 and its amendments. The service is a civilian organisation that is governed by statute. The director of security, appointed by the governor-general, is responsible to the Minister in Charge of the New Zealand Security Intelligence Service for its efficient and proper working.

The NZSIS:

- obtains, correlates, and evaluates intelligence relating to security
- communicates this intelligence to those whom the director considers should be aware of it in the interests of security
- makes recommendations relevant to security about immigration and citizenship matters
- provides advice on protective security matters
- conducts enquiries and makes recommendations about security clearances (vetting)
- cooperates with other organisations in New Zealand and overseas that help the service.

Security is:

- protecting New Zealand from acts of espionage, sabotage, terrorism, or subversion, whether or not they are directed from or intended to be committed in New Zealand
- identifying foreign capabilities, intentions, or activities within or relating to New Zealand that impact on New Zealand's international or economic well-being
- protecting New Zealand from activities within or relating to New Zealand, influenced by any foreign organisation or foreign person, which are clandestine, deceptive, or threaten safety, and impact adversely on New Zealand's international or economic well-being.

The NZSIS may not investigate people only because they take part in legal protest activities or disagree with the government of the day. Neither can it enforce measures for security or do anything for the purpose of harming or furthering the interests of any political party.

Government Communications Security Bureau

The Government Communications Security Bureau (GCSB) provides information, advice, and assistance to the New Zealand Government, government departments, and organisations. The GCSB is responsible to the prime minister.

Confronting the threat of terrorism

International terrorism is a key challenge to peace and security that societies face today. While the threat of a direct attack against New Zealand is low, New Zealanders have been victims of major international terrorist attacks around the world in the decade to 2010.

New Zealanders' dependence on international trade, and love of travel, means the country's interests are very much at stake in the fight against terrorism.

New Zealand is committed to regional and international counter-terrorism cooperation, and to improving its own capability, within the rule of law and fundamental human rights.

New Zealand has implemented counter-terrorism measures required by the United Nations (UN) Security Council and other international bodies, through legislation and by strengthening border security and financial sector infrastructure.

Operationally, a range of initiatives across the law enforcement, intelligence, and private sectors has lifted New Zealand's capability to respond to terrorist activities should they occur within the country.

New Zealand also contributes militarily to international efforts against terrorism in Afghanistan, and has participated in maritime interception operations in the Persian Gulf and Arabian Sea.

Counter-terrorism has become an important agenda item for regional forums in which New Zealand participates. New Zealand works closely with Asia-Pacific partners to strengthen the region's counter-terrorism capacity in policing, and border, transport, and financial security.

Under a Joint Declaration to Combat International Terrorism signed with the Association of South-East Asian Nations in 2005, New Zealand supports counter-terrorism projects – including work to prevent recruitment into terrorism – much of it funded by the Ministry of Foreign Affairs and Trade (MFAT) (\$1 million in 2009/10).

MFAT has worked with all three of the region's counter-terrorism training centres, and bilaterally, particularly with Indonesia.

New Zealand has helped Pacific island countries meet UN Security Council counter-terrorism requirements, through implementing legislation, establishing effective border control operations, and meeting reporting obligations. The Pacific Working Group on Counter-Terrorism, which New Zealand has convened and chaired for the last six years, is central to this work.

Source: Ministry of Foreign Affairs and Trade

Table 4.10

Expenditure on intelligence and security agencies			
Year ending 30 June			
Year	External Assessments Bureau ⁽ⁱ⁾	New Zealand Security Intelligence Service	Government Communications Security Bureau
		\$(000)	
2000	2,292	11,500	21,289
2001	2,462	10,956	19,327
2002	2,541	11,690	20,116
2003	2,709	13,376	23,216
2004	3,129	15,655	29,154
2005	3,079	17,206	29,754
2006	3,058	22,433	37,977
2007	3,162	28,399	42,077
2008	3,339	32,807	41,133
2009	3,378	36,887	49,333

(i) Renamed National Assessments Bureau in 2010.

Source: National Assessments Bureau; New Zealand Security Intelligence Service; Government Communications Security Bureau

The operations of the GCSB are governed by the Government Communications Security Bureau Act 2003. The inspector-general of intelligence and security oversees and reviews the GCSB.

The GCSB protects information that is processed, stored, or communicated by electronic or similar means. The bureau formulates communications security and computer security policy. It promotes standards and provides material, advice, and help to government departments and authorities (including New Zealand's armed forces), on matters relating to the security and integrity of official information – the loss or compromise of which could adversely affect national security.

The GCSB provides advice to government departments and authorities about official information that, although unrelated to national security, requires protection for privacy, safety, and commercial reasons, or to protect the functions of government. It also provides technical security services to defend against eavesdropping and other forms of technical attack against New Zealand Government premises worldwide.

The bureau warns, guides, and coordinates the national response to information-technology-based threats to New Zealand's critical infrastructure (ie power, telecommunications, emergency services, banking and finance, transport, and government). GCSB also collects foreign intelligence to meet the national intelligence requirements of the New Zealand Government.

The GCSB head office is in Wellington and it operates two communications stations, at Tangimoana, near Palmerston North, and Waihopai, near Blenheim.

National Assessments Bureau

The National Assessments Bureau (External Assessments Bureau until March 2010) provides all-source assessments to the prime minister, other ministers, and senior officials on events and developments that bear on New Zealand's interests, especially in regard to intelligence and security matters. The bureau is part of the Department of the Prime Minister and Cabinet.

The bureau employs about 30 staff who identify, collate, evaluate, and analyse information collected from a range of sources, and who produce assessments on security, political, economic, strategic, biographic, and scientific matters. The bureau also develops and coordinates a national assessments programme shaped around the government's national security agenda and priorities.

Contributors and related websites

Department of the Prime Minister and Cabinet – www.dPMC.govt.nz

Government Communications Security Bureau – www.gcsb.govt.nz

Ministry of Defence – www.defence.govt.nz

Ministry of Foreign Affairs and Trade – www.mfat.govt.nz

New Zealand Army – www.army.mil.nz

New Zealand Defence Force – www.nzdf.mil.nz

New Zealand Security Intelligence Service – www.nzsis.govt.nz

NZAID – www.nzaid.govt.nz

Office of the Inspector General of Intelligence and Security

Royal New Zealand Air Force – www.airforce.mil.nz

Royal New Zealand Navy – www.navy.mil.nz

Statistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

Otago Daily Times

A rumoured baby boom in Wanaka looked to be proven correct when parents were summoned by the Otago Daily Times for a photoshoot with their babies.

5 | Population

Population growth

The population of New Zealand reached 500,000 in 1880, boosted by the introduction of government-assisted immigration. The first million mark was passed in 1908, following economic recovery from the depression of the 1880s and 1890s. The growth rate climbed dramatically in the aftermath of World War II, compared with stagnation in the early 1930s, as the baby boom and increased immigration took effect.

The second million was reached in 1952, 44 years after the first million, and the third was reached only 21 years later, in 1973. Nearly 20 percent of the population growth during this period came from net migration. New Zealand's estimated resident population reached 4 million 30 years later in 2003. Nearly all the population growth between 3 and 4 million was due to natural increase (an excess of births over deaths), with migration not contributing significantly.

Figure 5.01 (overleaf) tracks New Zealand's historical and projected population growth from 1961 to 2061.

Future demographic trends

Future population trends are uncertain because demographic changes affect, and in turn are influenced by, social, economic, political, and other circumstances. Despite the inherent uncertainty, demographic projections provide relatively robust and useful information for several reasons.

Firstly, despite the range of influences that can impact on it, population change is fundamentally driven by births, deaths, and net migration (arrivals minus departures).

Secondly, birth and death rates are generally consistent over several years, especially for larger geographical areas, barring major catastrophes, wars, or epidemics.

Thirdly, three-quarters of people who will live in New Zealand in 20 years time have already been born. With the uncertainty of the births component removed, only migration or death can change the existing population.

Some broad future trends and structural changes can be identified. For example, population ageing and sub-replacement fertility in New Zealand have raised the prospect of slower population growth in coming decades. Sub-replacement fertility means that the population will not replace itself in the long run, without migration.

From street kid to New Zealander of the Year

Image removed due to copyright issues

Sunday Star Times

Ray Avery at home in Auckland with his 15-month-old daughter Amelia.

Ray Avery, a 62-year-old scientist and inventor, was named New Zealander of the Year in February 2010.

The purpose of the awards is to recognise, encourage, and reward New Zealand people, and to promote the achievements of individuals, organisations, and community groups.

Mr Avery's invention of low-cost intraocular lenses will mean 30 million cataract-blind people in the developing world are likely to have regained their sight by 2020.

The scientist, inventor, and social entrepreneur from Auckland established Medicine Mondiale as an independent development agency and charity in 2003. The organisation creates low-cost sustainable solutions that combat global poverty and health issues for the most vulnerable and neglected societies.

Mr Avery is a believer in long-term self-sustainability in all work done with developing countries and his philosophy is to give people the tools and solutions to get on with their own lives.

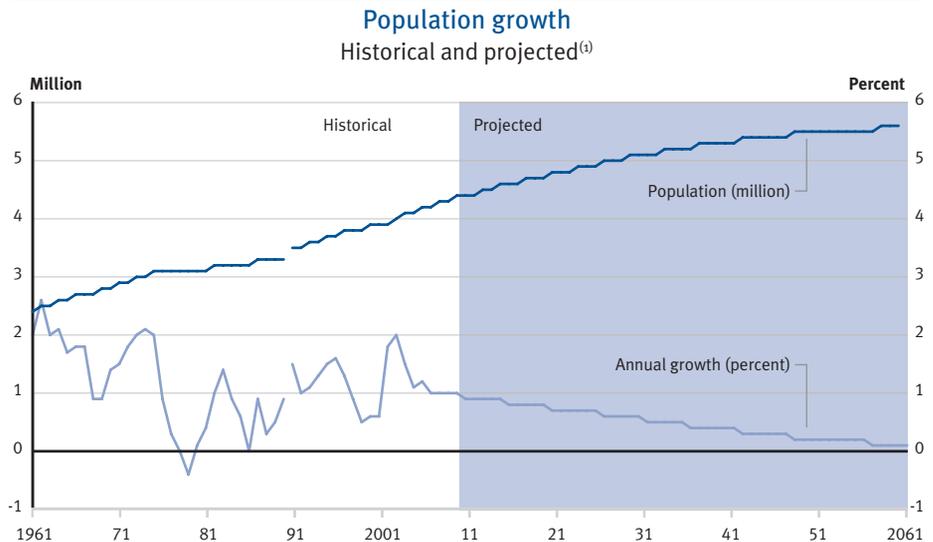
The Ray Avery-designed laboratories in Eritrea and Nepal provide 13 percent of the world market for intraocular lenses that use technology he invented and donated, resulting in an affordable solution for the poorest of the poor.

After spending his childhood in English orphanages and foster homes, Mr Avery developed his interest in science at the age of 14 while living it rough in London and finding warmth in public libraries.

He now mentors young people, speaking regularly at schools and universities. He is a great believer in the talents, entrepreneurial skills, and generosity of New Zealanders and in harnessing these skills to make the world a more egalitarian place.

Source: New Zealander of the Year Awards 2010

Figure 5.01



(1) Mid-range (series 5) projection – 2009-base projections released October 2009.

Note: The break in data between 1990 and 1991 denotes a change from the de facto population concept to the resident population concept.

Source: Statistics New Zealand

The entry of large baby boom cohorts into retirement ages from 2011 will result in an increasing number of people aged 65 years and over. New Zealand's workforce will take on an older profile.

Projections also point to greater ethnic diversity in the future, with the broad Māori, Pacific, and Asian populations all expected to increase their share of the New Zealand population.

Within the national scene, there will be contrasting population changes, with further concentration of population likely in the northern North Island. Given the narrowing gap between births and deaths, more and more areas will be relying on migration from other areas of New Zealand, or from overseas, if they want to maintain (let alone increase) their population. For many areas, this would require a reversal of recent migration flows.

Fertility has been below replacement level for most of the past few decades and is likely to remain so. However, New Zealand's population will continue to grow steadily but slowly for some time. This is because the current age structure has a built-in momentum for further growth, while international migration generally contributes more arrivals than departures. Slow growth aside, there will be profound shifts in population composition, including further ageing of the population, a burgeoning population aged 65 years and over, growing ethnic diversity, and geographic redistribution of the population.

Projected population

A number of population projection series are produced to illustrate a range of possible population scenarios. Projections given in this chapter draw on series 5 of the 2009-base national population projections released in October 2009. Series 5 assumes that: New Zealand women will average 1.9 births each in the long run (below the 2.1 births required for the population to replace itself without migration); life expectancy at birth will increase to reach 85.6 years for males and 88.7 years for females in 2061; and there will be a long-run net migration gain of 10,000 people annually from 2013.

Given this scenario, the New Zealand population is projected to reach 5.15 million in 2031 and 5.75 million in 2061. The 5 million population mark is projected to be reached in 2027.

The pace of growth is not likely to be uniform. The New Zealand population grew at an average rate of 1.4 percent a year between 1951 and 2009. The population is projected to grow by over 1.0 percent a year between 2009 and 2012. Growth is expected to slow during the remainder of the projection period – to 0.6 percent in 2031 and to 0.3 percent in 2061.

The age structure of New Zealand's population is undergoing significant changes as a result of changing fertility patterns and increasing longevity. Overall, the population will take on an older profile. The median age (half the population is older, and half younger, than this age) of New Zealand's population increased from 26 years in 1971 to 37 years in 2009. According to projection series 5, half the population will be 40 years and older by 2031, and half the population will be 43 years and older by 2061.

Population ageing can be regarded as an inevitable dimension of the 'demographic transition' – the shift from high fertility rates and high mortality rates to low mortality rates and low fertility rates. Population ageing is often wrongly attributed to the post-war baby boom. The changes in fertility rates, birth numbers, and the age structure during the baby boom have delayed the general ageing of New Zealand's population, although these changes will also make population growth among older age groups more pronounced after 2011.

Table 5.01

New Zealand population					
By census					
Year ⁽¹⁾⁽²⁾	Census date	Population	Increase from previous census		Average annual increase (percent)
			Number	Percent	
1858	24 December	115,461	...	...	...
1874	1 March	344,985	...	...	...
1878	3 March	458,007	113,022	32.76	7.33
1881	3 April	534,030	76,023	16.60	5.10
1886	28 March	620,451	86,421	16.18	3.06
1891	5 April	668,652	48,201	7.77	1.50
1896	12 April	743,214	74,562	11.15	2.13
1901	31 March	815,862	72,648	9.77	1.90
1906	29 April	936,309	120,447	14.76	2.75
1911	2 April	1,058,313	122,004	13.03	2.52
1916	15 October	1,149,225	90,912	8.59	1.50
1921	17 April	1,271,667	122,442	10.65	2.27
1926	20 April	1,408,140	136,473	10.73	2.06
1936	24 March	1,573,812	165,672	11.77	1.13
1945	25 September	1,702,329	128,517	8.17	0.83
1951	17 April	1,939,473	237,144	13.93	2.37
1956	17 April	2,174,061	234,588	12.10	2.31
1961	18 April	2,414,985	240,924	11.08	2.12
1966	22 March	2,676,918	261,933	10.85	2.11
1971	23 March	2,862,630	185,712	6.94	1.35
1976	23 March	3,129,384	266,754	9.32	1.80
1981	24 March	3,143,307	...	...	...
1986	4 March	3,263,283	119,976	3.82	0.76
1991	5 March	3,373,926	110,643	3.39	0.67
1996	5 March	3,618,303	244,377	7.24	1.41
2001	6 March	3,737,277	118,974	3.29	0.65
2006	7 March	4,027,947	290,670	7.78	1.51

(1) Omits censuses of 1851, 1861, 1864, 1867, and 1871 as censuses of the Māori population were not taken in these years.

(2) Figures from 1981 onwards are census usually resident population counts, replacing census night population counts used previously.

Note: All figures are randomly rounded to base 3.

Symbol: ... not applicable

Source: Statistics New Zealand

Table 5.02

New Zealand population projections ⁽¹⁾ (2006–base)							
	2006	2011	2021	2031	2041	2051	2061
Population by age group (years) at 30 June							
(000)							
All ages	4,185	4,393	4,771	5,090	5,325	5,481	5,571
0–14	888	895	918	903	903	910	907
15–39	1,464	1,481	1,539	1,576	1,583	1,581	1,583
40–64	1,321	1,432	1,498	1,519	1,568	1,637	1,640
65+	512	585	817	1,091	1,272	1,353	1,441
Components of population change (year ending 30 June)							
(000)							
Births	58	61	59	59	60	59	59
Deaths	27	30	34	41	50	57	62
Net migration	11	10	10	10	10	10	10
Annual population change	51	41	35	28	20	12	7
Years							
Median age ⁽²⁾ (at 30 June)	36	37	39	41	43	44	44
Dependency ratio (at 30 June)							
Per 100 people aged 15–64							
0–14 ⁽³⁾	32	31	30	29	29	28	28
65+ ⁽⁴⁾	18	20	27	35	40	42	45
0–14 and 65+ ⁽⁵⁾	50	51	57	64	69	70	73

(1) 2006-base projections released October 2007, series 5. (2) Half the population is younger, and half older, than this age.

(3) The number of people aged 0–14 years per 100 people aged 15–64 years. (4) The number of people aged 65+ years per 100 people aged 15–64 years. (5) The number of people aged 0–14 and 65+ years per 100 people aged 15–64 years.

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Table 5.02 shows New Zealand's projected population according to series 5 (a mid-range scenario), and figure 5.02 (overleaf) shows the historical and projected age distribution of the population.

Age groups

The number of children (those aged up to 14 years) is expected to increase slightly from 890,000 in 2009 to 940,000 in 2021, before easing to about 930,000 in the years 2023–43 (under projection series 5). In the long term, the number of children increases to 950,000 in 2051 and 960,000 in 2061. The projected fluctuations reflect birth numbers in preceding years.

The average New Zealander

According to the 2006 Census, the average New Zealander is most likely to be a 36-year-old female of European ethnicity living in the Auckland region.

Her salary is \$24,400, which she earns working as a shop assistant. She identifies as a Christian, has a level 1 certificate gained at school, is married and in a family with two other people, and lives in her own home. Her household has two cars and she drives one of these to work.

The 2006 Census provided the following information about New Zealanders:

Age The median age was 35.9 years; 12.3 percent were aged 65 and over, 21.5 percent were under 15.

Sex 1,965,618 were males and 2,062,326 females.

Ethnicity Europeans made up just over two-thirds of the population (2,609,592), Māori around one-seventh (565,329), followed by a wide diversity of other ethnic groups.

Where they lived 1.3 million (or nearly one-third of the population) lived in the Auckland region. New Zealand's population is heavily urbanised, with 86 percent living in an urban area.

Housing Over half (53.2 percent) owned or partly owned the dwelling they lived in. The average household size in New Zealand was 2.7 people. One-family households made up 69.1 percent of all households, while 328,302 people (23.0 percent) lived by themselves.

Relationship status 48.6 percent were married, 34.1 percent had never married (though 27.2 percent of these lived with a partner), and 17.4 percent were separated, divorced, or widowed.

Families Couples with children made up 42.0 percent of all families, while couples without children made up 39.9 percent of all families. One-parent-with-children families made up 18.1 percent. The average family size was three people.

Transport The majority of households had access to one or two motor vehicles.

Job type The largest single occupation category (with 87,348 people) was general sales assistant.

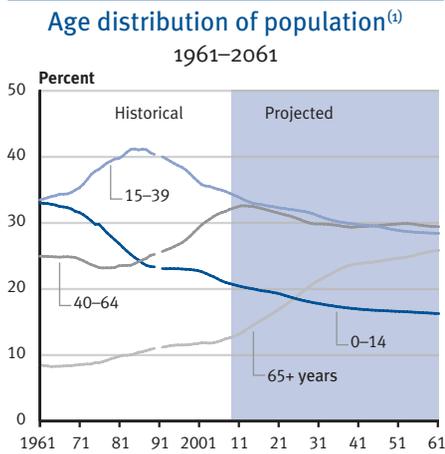
Income The median annual personal income from all sources was \$24,400. The three most common sources of income were wages and salaries, interest and investments, and self employment.

Religion The majority of people (2,027,418 people or 55.6 percent) affiliated with a Christian denomination, while 1,297,104 people (34.7 percent) indicated that they had no religion.

Highest educational qualification The most common highest qualification gained by New Zealanders aged 15 years and over was a level 1 certificate gained at school (386,073), followed by a bachelor's degree or level 7 qualification (315,849).

Source: Statistics New Zealand

Figure 5.02



(1) 2009-base projections released October 2009, series 5.

Note: The break in data between 1990 and 1991 denotes a change from the de facto population concept to the resident population concept.

Source: Statistics New Zealand

Image removed due to copyright issues

Counting the population

Statistics New Zealand adopted the 'resident population' concept in the mid-1990s as the standard for producing official population estimates and projections.

Of the various population measures available from Statistics NZ, the 'estimated resident population' gives the best available estimate of the population normally living in an area.

The estimated resident population of New Zealand includes all residents present in New Zealand and counted by the census (census usually resident population count), residents who are temporarily overseas (who are not included in the census), and an adjustment for residents missed or counted more than once by the census (net census undercount).

Visitors from overseas are excluded.

Source: Statistics New Zealand

Otago Daily Times

Oamaru couple Don and Daphne Loudon celebrated their 60th wedding anniversary in December 2009.

Although the number of children is projected to increase, they will account for only 17 percent of the population by 2061, compared with 21 percent in 2009.

By contrast, the population aged 65 years and over (65+) is projected to double from 550,000 in 2009 to 1.11 million in 2033, and continue increasing to reach 1.44 million in 2061.

In 2026, the number of people aged 65+ is expected to surpass the number of children. From the late 2020s, the 65+ age group will make up over 20 percent of all New Zealanders, compared with 13 percent in 2009. From the late 2050s, this age group will make up 25 percent of the population (see figure 5.02).

Within the 65+ age group, there will be more than 330,000 people aged 85 years and over in 2061, almost five times the 2009 total of 67,000 people.

The working-age population (those aged 15–64 years) is projected to grow gradually from 2.87 million in 2009 to 3.15 million in 2031 and 3.36 million in 2061. Most of the increase will be in the older half of the age bracket, and thus it will take on an older profile. The population aged 40–64 years has been increasing rapidly since the early 1980s as the baby boomers move into this age group.

The ratio of the 40–64-years age group to the 15–39-years age group is projected to generally rise from 0.93 in 2009 to 1.00 in 2061. The ratio was 0.57 in 1984.

In 2009, there were 5.2 people in the working-age group for every person aged 65+. This ratio is expected to drop substantially to 3.0 people in 2030 and to 2.3 people in 2061. In the mid-1960s, the ratio was 7.1 working-age people for every person aged 65+.

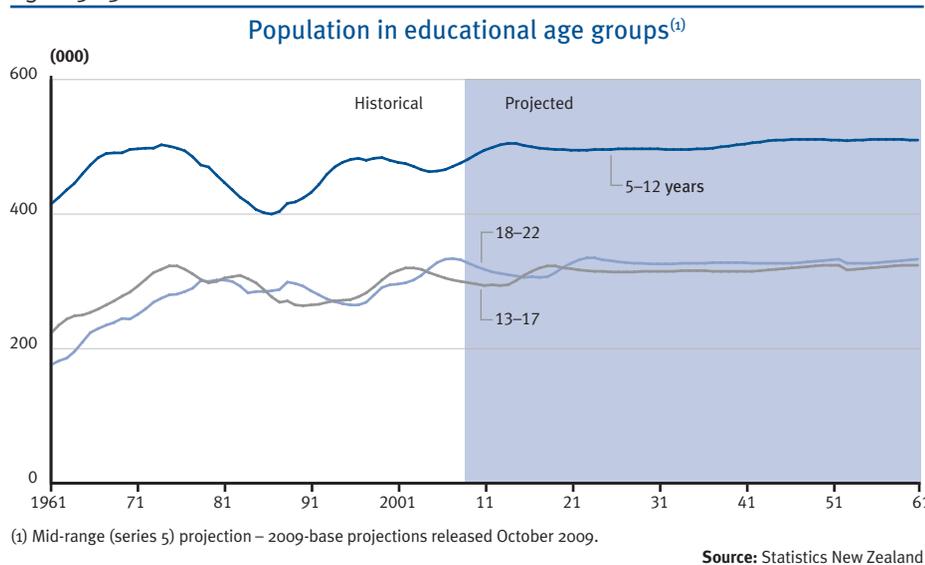
Educational ages The population in the various educational age groups is projected to fluctuate, as it has in the past. The fluctuations mainly reflect changes in births in preceding years, and although the number of future births is uncertain, the fluctuations have a potentially significant impact on the demand for teachers and other educational resources. The projected numbers below refer to the New Zealand resident population in each age group, rather than the numbers in primary, secondary, and tertiary education.

The primary-school-age population (5–12 years) peaked in 1975 at about 500,000 and then dropped to 400,000 in 1989. By 2009 the population had reached 460,000. It is projected to increase to 500,000 in 2018 and remain about that level to 2061.

The trend in the secondary-school-age population (13–17 years) is similar to that for the primary-school-age population, except that the peaks and troughs lag behind those of the primary-school-age population by about six years. The secondary-school-age population is projected to drop from 310,000 in 2009 to about 290,000 in 2018, increase rapidly to 320,000 in 2023 and remain at about that level to 2061.

Peaks and troughs in the tertiary-age population (18–22 years) lag behind those of the secondary-school-age population by about five years. The tertiary-age population is projected to increase from 320,000 in 2009 to peak at 334,000 in 2012. A similar peak will be reached again around 2030.

Figure 5.03



Ethnic and cultural diversity

Ethnic population information presented in this chapter is based on the concept of self-identification. Each ethnic group includes people who identify with that ethnic group, either solely or in conjunction with other ethnic groups. It excludes people who have ancestry but do not identify with that ethnic group. Some people identify with two or more ethnic groups, so the broad European, Māori, Pacific, and Asian populations are not mutually exclusive.

New Zealand has been ethnically and culturally connected to Polynesia for many hundreds of years. Its population and cultural heritage 200 years ago was wholly that of Polynesia, but it is now dominated by cultural traditions that are mainly European, especially those from the United Kingdom.

In 2006, about 77 percent of New Zealanders identified with a European ethnicity and/or 'New Zealander'. The indigenous Māori ethnic group makes up the next largest group of the population (about 15 percent in 2006). The other main ethnic groups are Asian and Pacific peoples, who made up 10 and 7 percent, respectively, of the estimated resident population in 2006.

The ethnic and cultural composition of New Zealand has been shaped and reshaped by three main demographic processes – international migration, natural increase, and intermarriage. Of these processes, international migration has had the most pronounced effect.

All four broad ethnic populations are projected to experience growth between 2006 and 2026. Under a mid-range scenario (projection series 6), the Asian population is projected to have the largest growth over this period, an increase of 380,000 (3.4 percent a year). The Pacific and Māori populations will experience increases of 180,000 (2.4 percent a year) and 190,000 (1.4 percent a year), respectively, while the European or other (including 'New Zealander') population will increase by 220,000 (0.3 percent a year).

Population projected to pass 5 million

New Zealand's estimated resident population reached 4 million in 2003. New Zealand's first million was reached in 1908 and the second million was reached 44 years later in 1952. It took only 21 years to add the third million in 1973 – the fastest million achieved in New Zealand's history. The fourth million took 30 years to reach.

Nearly all the population growth from 3 to 4 million was due to natural increase (excess of births over deaths). Net migration did not contribute significantly to overall population growth during this period, although it had a significant impact on population composition, with departures exceeding arrivals for some ages, and arrivals exceeding departures for other ages.

Between 2001 and 2006, New Zealand experienced relatively rapid population growth, averaging 1.5 percent a year. This was partly due to high net migration gains compared with historic New Zealand levels, with an estimated net migration gain of 160,000 people between 30 June 2001 and 30 June 2006. However, population growth slowed to about 1.0 percent per year between 2006 and 2009, with net migration contributing one-fifth of this growth.

Projections suggest that New Zealand will have much slower population growth in the future, mainly because of the impact of population ageing on birth and death numbers. Various projection series are produced to illustrate a range of possible population scenarios.

Series 5 (a mid-range scenario) of the 2009-base national population projections assumes that: New Zealand women will average 1.9 births each in the long run; life expectancy at birth will increase to reach 85.6 years for males and 88.7 years for females in 2061; and there will be a long-run annual net migration gain of 10,000 people from 2013.

Under this scenario, natural increase is projected to decline from 34,000 in 2009 to 20,000 in 2031 and to less than 6,000 in the late 2050s. As a result, the population is projected to reach 5 million in the mid-2020s, before increasing slowly to 5.75 million in 2061.

For the population to reach 6 million by 2061, New Zealand would need a sustained net migration gain of about 15,000 a year (assuming long-run fertility rates of 1.9 births per woman). Although annual net migration has exceeded 30,000 in some recent years, the historical external migration balance has also fluctuated widely, with several periods of net migration loss.

Alternatively, New Zealand's population would top 6 million by 2061 if women averaged 2.1 births each (and net migration averaged 10,000 a year). Only occasionally in the past few decades have fertility rates reached that level, although they were at that level in 2007–09.

Source: Statistics New Zealand

Rounding and random rounding

Rounding of numbers is the technique of replacing a given number with another number called the rounded number. When used in tables, rounding may create a discrepancy between the total shown and the total of the individual items in the table.

Data is rounded for ease of use or for reasons of confidentiality. Quite different techniques are used in each case.

Rounding of numbers – for ease of use

It is often necessary to round numbers when making statistical calculations, where it might not be possible, practical, or reasonable to record numbers to the last digit. Statistical series are often rounded in publications to make them easily understood and readily comparable with other data. Such practices are quite acceptable, providing that an adequate level of accuracy is retained.

The chosen rounding interval determines selection of the rounded number.

For example: a rounding interval of 0.1 means rounding to one decimal place, so that 12.223 becomes 12.2. A rounding interval of 10 means rounding to the nearest multiple of 10, so that 1,222.3 becomes 1,220.

Rules are in place to ensure that any long-run bias in rounded numbers is avoided.

Random rounding – for confidentiality reasons

Since the 1981 Census, Statistics New Zealand has used a confidentiality assurance technique of randomly rounding census statistics to base 3. This enables the greatest possible amount of census data to be released without compromising the privacy of individual responses.

Random rounding to base 3 means that all table cell values, including row and column totals, are rounded as follows: zero counts and counts that are already multiples of three are left unchanged. Other counts are randomly rounded to one or other of the two nearest multiples of three. The figure that the original figure is rounded to is determined randomly, using fixed probabilities. For example, the number nine is left unchanged, whereas the number eight could be rounded to either six or nine.

Because rounding is done separately for each cell in a table, the rows and columns do not necessarily add up to the published row and column totals. However, the effect of this rounding on the accuracy of census statistics for practically any proposed use is insignificant.

Source: Statistics New Zealand

Image removed due to copyright issues

The Dominion Post

Tasha Wypych and Monique Andrews, both of Polish descent, practise their kicking skills at Eurofest, Wellington. The Poles have a long history of immigration to New Zealand and in the 2006 Census, 2,004 people identified themselves as Polish. A large group of Polish refugees – 733 children and 105 caregivers – came to New Zealand in 1944, after the devastation of their country during World War II. They were settled in the small town of Pahiatua, in the Tararua district of the North Island.

The higher Asian growth rate is mainly driven by the assumed levels of net migration. By comparison, the higher Māori and Pacific population growth, relative to the New Zealand population overall, is largely driven by higher fertility rates.

The European or other share of the New Zealand population is projected to fall to 69 percent by 2026 – a reflection of the slower growth rate of the European or other population compared with the growth rate of the total New Zealand population. By contrast, the share of the population belonging to the Māori, Asian, and Pacific ethnic groups is projected to increase, to 17, 16, and 10 percent, respectively, by 2026.

Diversity in fertility and migration patterns means the various ethnic groups will follow different paths to population ageing in future decades. With a median age of 38 years in 2006, the European or other population has a much older age structure than the Māori (23 years) and Pacific (22 years) populations. Despite ageing, the median age of the Māori (25 years) and Pacific (23 years) populations in 2026 will still be lower than the median age of the total New Zealand population (40 years).

Table 5.03 shows projected changes in New Zealand's population proportions by ethnicity and age group, and table 5.04 shows ethnic population projections for 2026.

Table 5.03

Ethnic population projections ⁽¹⁾				
Proportion of New Zealand population by age				
Age group (years)	European ⁽²⁾	Māori	Asian	Pacific
	Percent			
2006⁽³⁾				
Under 15	73	24	9	12
15–39	71	17	13	8
40–64	81	10	8	5
65+	91	5	4	2
All ages	77	15	10	7
2026⁽⁴⁾				
Under 15	64	29	18	18
15–39	65	19	18	12
40–64	69	12	17	7
65+	82	7	10	3
All ages	69	17	16	10

(1) People who identify with more than one ethnic group are included in each ethnic population, so percentages add up to more than 100. (2) European or other (including New Zealander) ethnic group. (3) Estimated resident population of each ethnic group at 30 June 2006. (4) 2006-base ethnic population projections released April 2008, series 6, compared with 2006-base New Zealand population projections released October 2007, series 5.

Source: Statistics New Zealand

Table 5.04

Ethnic populations and projections ⁽¹⁾⁽²⁾					
2006–26					
	European ⁽³⁾	Māori	Asian	Pacific	Total New Zealand
Population			(000)		
2006 ⁽⁴⁾	3,213	624	404	302	4,185
2026	3,429	818	788	482	4,939
Average annual population change			Percent		
2006–26	0.3	1.4	3.4	2.4	0.8
Median age⁽⁵⁾			Years		
2006	38	23	28	22	36
2026	43	25	36	23	40

(1) People who identify with more than one ethnic group are included in each ethnic population, so figures do not add up to stated totals. (2) 2006-base ethnic population projections released April 2008, series 6, and 2006-base New Zealand population projections released October 2007, series 5. (3) European or other (including New Zealander) ethnic group. (4) Estimated resident population of each ethnic group at 30 June 2006. (5) Half the population is older, and half younger, than this age.

Source: Statistics New Zealand

Regional populations

Under the medium (mid-range) projection series, 13 of New Zealand's 16 regional council areas (regions) will be home to more people in 2031 than in 2006. Ten regions will experience population growth throughout the entire projection period.

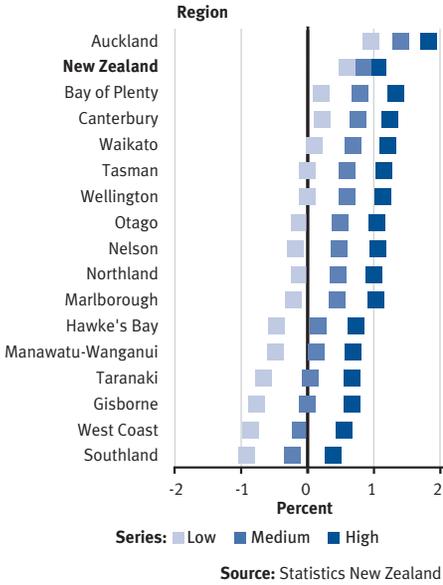
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The Dominion Post

They eat new potatoes as much as noodles and in many other ways the Leong family – including Jack and his namesake grandson pictured here – fit the ever-changing profile of a modern New Zealand Asian family. Statistics New Zealand projects that the 400,000-strong Asian population will increase by an average of 3.4 percent a year, to reach just under 790,000 by 2026.

Figure 5.04

Projected average annual population change
By regional council area
2006–31



The populations of Hawke’s Bay and Manawatu-Wanganui are projected to increase between 2006 and 2026 and then decrease for the remainder of the projection period. The Taranaki region is projected to increase between 2006 and 2021 and then decrease for the remainder of the period. The population of Gisborne is projected to increase between 2006 and 2016, and then to decrease again, so that its population in 2031 will be similar to that in 2006. The West Coast and Southland are projected to have fewer residents in 2031 than in 2006.

The low projection series for each region results in five of New Zealand’s 16 regions having more people in 2031 than in 2006. With the high projection series, all 16 of New Zealand’s regions will be home to more people in 2031 than in 2006.

Population growth is projected to slow in all 16 regions between 2006 and 2031, regardless of which projection series is chosen. This slowing of growth is due to declining natural increase (births minus deaths). On average, births are projected to remain stable in number, reflecting the assumed decrease in fertility rates. In contrast, deaths are projected to increase in all regions as the population in the older age groups increases.

The Auckland region is projected to account for 60 percent of New Zealand’s population growth between 2006 and 2031, increasing by 570,000 from 1.37 million to 1.94 million people (medium series). The Auckland region would then be home to 38 percent of New Zealand’s population in 2031, compared with 33 percent in 2006. Natural increase is projected to account for almost two-thirds of the growth, with the remainder due to net migration gains. Under the low, medium, and high projection series, Auckland’s annual population growth will average 1.0, 1.4, and 1.8 percent, respectively.

There is considerable variation likely in population growth rates within the cities and districts of each region, largely because of differences in age structures, fertility levels, and migration patterns. Figure 5.04 shows projected regional population changes by regional council area between 2006 and 2031 under the low, medium, and high projection series.

Distribution of population

There has been a trend in the geographic distribution and redistribution of New Zealand’s population in the past 150 years towards an increasing degree of urbanisation and, in particular, a concentration of people in the main urban centres.

North Island and South Island distribution

Following the end of the gold boom in the South Island in the 1870s, the proportion of people living in the South Island began to steadily decrease. From the 1896 Census onward, the census

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Southern Institute of Technology

New Zealanders are highly mobile and move between regions with relative frequency. Quite a number have been moving to Invercargill, where the Southern Institute of Technology’s Zero Fees scheme has been offering tertiary students a range of degree, diploma, and certificate programmes for free. David Moate (pictured) moved there from the Coromandel to study environmental management. He says that aside from free tuition, the region has much to offer him and his family, including spectacular scenery and a wide range of outdoor activities.

night population of the North Island has exceeded that of the South. Since that time, the North Island's population has continued to grow at a greater rate, and its share of the New Zealand total population has continued to increase.

At the time of the 1956 Census, 69 percent of New Zealanders lived in the North Island. This rose to more than 72 percent by 1976, and in 2006 it had risen to 76 percent.

Many influences have contributed to the population difference between the islands – for example, the North Island has had a higher birth rate and most overseas migrants choose to settle in the North Island.

Table 5.05 shows the estimated population of New Zealand from 1885 to 2008, while table 5.06 (overleaf) lists the North Island, the South Island, and total New Zealand populations from 1858 to 2006.

Internal migration

The movement of people within and between regions is an important determinant of New Zealand's population distribution. Overall, New Zealanders are a mobile people and, while the majority of movement is within regions, there is significant movement between regions.

In addition to affecting the size of the population, inter-regional migration also influences age structures, fertility levels, and population growth rates within regions.

Table 5.07 (overleaf) shows population movements into and out of regions between the 2001 and 2006 Censuses.

Table 5.05

Estimated population 1885–2008								
Year	At 31 December	Mean for year ending 31 December	Year	At 31 December	Mean for year ending 31 December	Year	At 31 December	Mean for year ending 31 December
Estimated de facto population			Estimated de facto population			Estimated de facto population		
1885	619,300	613,900	1927	1,450,400	1,439,000	1969	2,804,000	2,780,100
1886	631,400	624,300	1928	1,467,400	1,456,100	1970	2,852,100	2,819,600
1887	645,300	638,300	1929	1,486,100	1,473,400	1971	2,898,500	2,864,200
1888	649,300	647,300	1930	1,506,800	1,493,000	1972	2,959,700	2,915,600
1889	658,000	653,700	1931	1,522,800	1,514,200	1973	3,024,900	2,977,100
1890	667,500	662,700	1932	1,534,700	1,527,100	1974	3,091,900	3,041,800
1891	676,100	671,800	1933	1,547,100	1,539,600	1975	3,143,700	3,100,100
1892	692,400	684,200	1934	1,558,400	1,551,500	1976	3,163,400	3,131,800
1893	714,300	703,300	1935	1,569,700	1,562,200	1977	3,166,400	3,142,600
1894	728,100	721,200	1936	1,584,600	1,575,200	1978	3,165,200	3,143,500
1895	740,700	734,400	1937	1,601,800	1,590,000	1979	3,163,900	3,137,800
1896	754,000	746,300	1938	1,618,300	1,606,800	1980	3,176,400	3,144,000
1897	768,900	761,500	1939	1,641,600	1,628,500	1981	3,194,500	3,156,700
1898	783,300	776,100	1940	1,633,600	1,637,300	1982	3,226,800	3,180,800
1899	796,400	789,800	1941	1,631,200	1,630,900	1983	3,264,800	3,221,700
1900	808,100	802,200	1942	1,636,400	1,639,500	1984	3,293,000	3,252,800
1901	830,800	821,100	1943	1,642,000	1,635,600	1985	3,303,100	3,271,500
1902	851,100	840,900	1944	1,676,300	1,655,800	1986	3,313,500	3,277,000
1903	875,600	863,400	1945	1,727,800	1,694,700	1987	3,342,100	3,303,600
1904	900,700	888,200	1946	1,781,200	1,759,600	1988	3,345,200	3,317,000
1905	925,600	913,100	1947	1,817,500	1,798,300	1989	3,369,800	3,330,200
1906	956,500	943,300	1948	1,853,900	1,834,700	1990	3,410,400	3,362,500
1907	977,200	966,800	1949	1,892,100	1,871,700			
1908	1,008,400	992,800	1950	1,927,700	1,909,100			
1909	1,030,700	1,019,500	1951	1,970,500	1,947,600	Estimated resident population ⁽ⁱ⁾		
1910	1,050,400	1,040,500	1952	2,024,600	1,996,200	1991	3,516,000	3,495,800
1911	1,075,300	1,063,900	1953	2,074,700	2,048,800	1992	3,552,200	3,533,000
1912	1,102,500	1,088,900	1954	2,118,400	2,094,900	1993	3,597,900	3,573,600
1913	1,134,500	1,118,500	1955	2,164,800	2,139,000	1994	3,648,200	3,621,600
1914	1,145,800	1,140,200	1956	2,209,200	2,182,800	1995	3,706,700	3,675,800
1915	1,152,600	1,149,200	1957	2,262,800	2,232,500	1996	3,762,300	3,733,900
1916	1,150,200	1,149,200	1958	2,316,000	2,285,800	1997	3,802,600	3,782,600
1917	1,147,400	1,148,900	1959	2,359,700	2,334,600	1998	3,829,200	3,815,800
1918	1,158,100	1,152,800	1960	2,403,600	2,377,000	1999	3,851,200	3,837,300
1919	1,227,200	1,192,700	1961	2,461,300	2,426,700	2000	3,873,000	3,860,100
1920	1,257,600	1,242,400	1962	2,515,800	2,484,900	2001	3,916,200	3,887,000
1921	1,292,700	1,276,700	1963	2,566,900	2,536,900	2002	3,989,500	3,951,200
1922	1,318,900	1,305,100	1964	2,617,000	2,589,100	2003	4,061,600	4,027,700
1923	1,343,000	1,328,200	1965	2,663,800	2,635,300	2004	4,114,300	4,088,700
1924	1,370,400	1,352,600	1966	2,711,300	2,682,600	2005	4,161,000	4,136,000
1925	1,401,200	1,384,400	1967	2,745,000	2,727,700	2006	4,211,400	4,186,900
1926	1,429,700	1,413,700	1968	2,773,000	2,753,500	2007	4,252,600	4,230,700
						2008	4,291,600	4,271,100

(i) Population estimates for 1991 onwards are based on the resident population concept, replacing the de facto population concept previously used. Resident population estimates are not strictly comparable with census usually resident population counts, as they include adjustments for census undercount and New Zealand residents temporarily overseas.

Source: Statistics New Zealand

How satisfied are New Zealanders?

The first New Zealand General Social Survey (NZGSS) shows that 86 percent of New Zealanders are satisfied with their life overall. The NZGSS, conducted by Statistics New Zealand, provides information about key social and economic outcomes across a number of areas of life. Preliminary data from this survey was released in October 2009.

The NZGSS contains a variety of measures that, when combined, give a full view of well-being in one survey. It includes New Zealanders' assessments of their health, the environment, and social contact with family and friends. It collects information about fields where there has been little official information available, for example, volunteering, emergency preparedness, and housing problems. Traditional measures such as income, tenure, employment, and education are also included.

Combining this information into one survey is useful because it shows how changes in economic and social conditions, such as health and income, affect New Zealanders' lives. It also shows which conditions have the most impact on people and who is most affected.

As well as being of interest to the public, the NZGSS provides regular, accessible information across many social dimensions in order to monitor and support decisions made about social spending; an area that accounts for a considerable proportion of Crown expenditure.

The survey reveals that most people are satisfied or very satisfied with their life in New Zealand overall. This high level of satisfaction is broadly comparable with other Organisation for Economic Co-operation and Development countries where this type of survey is conducted, including Canada, the United Kingdom, and Australia.

Key findings include:

- Around 1 in 7 people said they did not have enough money to meet their everyday needs.
- More than 80 percent of people had some sort of contact with family living outside their household, at least once in the last month.
- Despite this, one-quarter of people felt they did not have enough contact with non-resident family, and one-fifth reported not having enough contact with non-resident friends.
- About 1 in 10 people had been discriminated against in the past 12 months. The most common grounds were 'nationality, race, or ethnic group'.
- However, over 90 percent of people agreed that it is good that people in New Zealand can have different values and ways of living.
- One-third of people undertook voluntary work and about two-thirds had done unpaid work outside the household in the last four weeks.

Source: Statistics New Zealand

Table 5.06

New Zealand's population ⁽¹⁾			
By census ⁽²⁾			
Census	North Island ⁽³⁾	South Island ⁽⁴⁾	Total population
1858	87,150	28,311	115,461
1874	155,472	189,513	344,985
1878	199,524	258,483	458,007
1881	234,648	299,382	534,030
1886	290,010	330,441	620,451
1891	321,246	347,403	668,652
1896	377,955	365,259	743,214
1901	431,472	384,390	815,862
1906	521,898	414,411	936,309
1911	610,599	447,714	1,058,313
1916	695,397	453,828	1,149,225
1921	791,919	479,751	1,271,667
1926	892,680	515,460	1,408,140
1936	1,018,038	555,774	1,573,812
1945	1,146,315	556,014	1,702,329
1951	1,313,871	625,602	1,939,473
1956	1,497,363	676,698	2,174,061
1961	1,684,785	730,200	2,414,985
1966	1,893,327	783,594	2,676,918
1971	2,051,364	811,269	2,862,630
1976	2,268,393	860,991	3,129,384
1981	2,306,667	836,643	3,143,307
1986	2,412,660	850,623	3,263,283
1991	2,520,348	853,578	3,373,926
1996	2,718,189	900,114	3,618,303
2001	2,829,801	907,476	3,737,277
2006	3,059,427	968,520	4,027,947

(1) Figures from 1981 onwards are census usually resident population counts, replacing the census night population counts previously used. (2) Omits censuses of 1851, 1861, 1864, 1867, and 1871 as censuses of the Māori population were not taken in these years. (3) Includes the population of Kermadec Islands and people on oil rigs. (4) Includes the populations of the Chatham Islands and Campbell Island.

Note: All figures randomly rounded to base 3.

Source: Statistics New Zealand

Table 5.07

Region	2001-06			
	Population ⁽¹⁾	Migration in	Migration out	Net migration
Northland	138,198	18,726	17,172	1,554
Auckland	1,209,165	59,304	75,966	-16,662
Waikato	355,044	47,754	42,228	5,526
Bay of Plenty	239,112	34,701	28,821	5,880
Gisborne	40,848	4,884	6,405	-1,521
Hawke's Bay	137,343	15,168	15,957	-789
Taranaki	97,263	9,267	11,520	-2,253
Manawatu-Wanganui	207,666	26,901	29,571	-2,670
Wellington	418,578	39,519	38,946	573
Tasman	41,727	8,760	6,999	1,761
Nelson	40,365	7,968	9,531	-1,563
Marlborough	40,188	7,179	6,813	366
West Coast	29,430	4,749	5,175	-426
Canterbury	489,369	40,467	32,364	8,103
Otago	183,165	26,238	21,756	4,482
Southland	84,837	8,913	11,268	-2,355

(1) Census usually resident population count of all people aged five years and over, 2006.

Note: Confidentiality rules have been applied to all cells in this table, including randomly rounding to base 3.

Source: Statistics New Zealand

Urban and rural distribution

New Zealand is a highly urbanised country, with 86 percent of the census usually resident population count living in urban areas at the 2006 Census.

Table 5.08 shows urban and rural populations at censuses from 1881 to 2006, while the 'urban drift' graph shows changes in the proportions of urban and rural populations for every second census from 1881.

Main urban areas

Seventy-two percent of the 2006 Census usually resident population count lived in main urban areas (places with 30,000 people or more). Between 2001 and 2006, all main urban areas, with the exception of Wanganui, experienced population growth, as did most secondary urban areas (places with between 10,000 and 29,999 people). In the previous intercensal period, most secondary urban areas had experienced a decrease in population.

Table 5.08

Census ⁽²⁾	Urban and rural populations ⁽¹⁾			
	Urban		Rural	
	Number	Percent	Number	Percent
Non-Māori population				
1881	194,982	40.1	291,237	59.9
1886	245,613	42.9	327,327	57.1
1891	270,342	43.4	352,098	56.6
1896	307,293	44.0	391,734	56.0
1901	350,202	45.6	417,597	54.4
1906	424,614	48.1	458,796	51.9
1911	505,599	50.4	496,779	49.6
1916	585,306	53.9	501,258	46.1
1921	681,987	56.2	530,853	43.8
Total population				
1926	953,172	68.0	448,500	32.0
1936	1,065,228	67.9	503,886	32.1
1945	1,227,069	72.2	472,077	27.8
1951	1,406,517	72.7	527,079	27.3
1956	1,600,809	73.8	568,806	26.2
1961	1,840,203	76.4	569,217	23.6
1966	2,119,086	79.3	553,023	20.7
1971	2,328,876	81.5	528,609	18.5
1976	2,614,119	83.6	511,005	16.4
1981	2,682,906	85.4	460,401	14.6
1986	2,780,151	85.2	481,467	14.8
1991	2,884,668	85.5	488,604	14.5
1996	3,091,659	85.5	524,976	14.5
2001	3,204,294	85.8	531,888	14.2
2006	3,463,188	86.0	563,931	14.0

(1) From 1881–1921, 'urban' is based on boroughs and cities, and 'rural' is based on counties (including town districts). From 1926–2006, 'urban' is based on urban areas and towns with over 1,000 people, and 'rural' is the remainder. (2) Figures from 1981 onwards are census usually resident population counts, replacing census night population counts used previously.

Note: All figures randomly rounded to base 3.

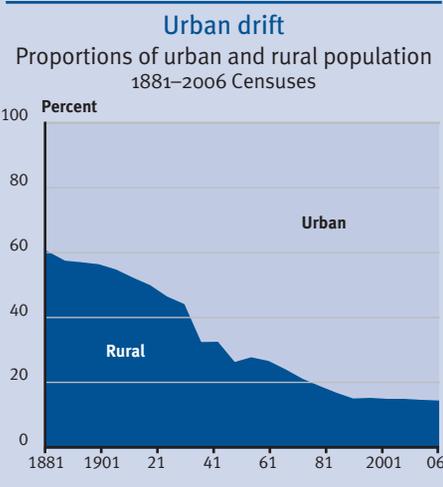
Source: Statistics New Zealand

Urban and rural changes

New Zealand is among the most urbanised societies in the world, with 86 percent of the population living in an urban area at the time of the 2006 Census. (It should be noted, however, that countries define urban inconsistently.) Main urban areas (places with 30,000 people or more) account for 72 percent of the population, with a further 6 percent in secondary urban areas (places with between 10,000 and 29,999 people). The remaining 22 percent of the population live in minor urban areas (8 percent), rural centres (2 percent), and other rural areas (12 percent).

Urbanisation was a feature of much of the history of the first half of the 20th century, largely driven by social and economic changes, such as the mechanisation of agriculture, the shift of growth from south to north, and the growth of urban production industries. Alongside urbanisation, the population of urban areas swelled with the inflow of people from overseas. Much of the growth of secondary urban areas came from rural populations leaving the land, whereas the relatively slower growth of main urban areas was more connected with immigration from overseas.

Following World War II, returning troops, many of rural origin, resettled initially with their families in local urban areas, frequently moving on to larger cities for work. Post-war resettlement of displaced European families added to the urban populations, though some also came to assist rural labour shortages and some came as farmers. By mid-century, almost three-quarters of the population were urban dwellers.



In the second half of last century, continued immigration and slower growth of rural populations gradually increased the urban share of the population. Changes in source countries of migrants and a trend towards globalisation increasingly changed the urban/rural landscape to a more metropolitan focus, with the growth of service industries based in the largest cities, especially in Auckland. Recent trends are for immigrants and

returning New Zealanders to be more likely to settle in a main urban area, with 93 percent of people who were overseas at the time of the 2001 Census living in an urban area at the time of the 2006 Census (84 percent lived in main urban areas), with the majority living in Auckland.

While the urban share of the population has increased only very slowly over the last quarter century, the exchange of people within and between areas has been dramatic. Between 2001 and 2006, the main urban areas grew by nearly 238,000 people. This period saw the addition of 289,400 people from overseas, including returning New Zealanders, but this was offset by the loss of a similar number of people moving overseas. Over this period, main urban areas lost around 134,600 people to other area types, but gained 133,200 from other area types, with large net outflows from Auckland, but significant gains for other main cities, such as Tauranga and Hamilton.

Rural areas also grew by over 31,000 people. Rural areas gained just over 9,000 people from internal migration, compared with a net loss for main urban areas of more than 1,300 people. Rural areas are not necessarily in remote locations. Much of the rural population growth follows from the popularity of lifestyle blocks and similar developments, in areas classified as rural, but which are in close proximity to urban areas. Rural areas that are more remote from cities have experienced static or declining populations in recent years.

Source: Statistics New Zealand

Table 5.09

Population of largest urban areas

Urban area	At selected censuses								
	1886 ⁽¹⁾	1911 ⁽¹⁾	1936	1961	1986 ⁽²⁾	1991 ⁽²⁾	1996 ⁽²⁾	2001 ⁽²⁾	2006 ⁽²⁾
Auckland	33,162	102,675	226,365	448,365	816,927	878,220	991,812	1,074,450	1,208,094
Christchurch	29,655	80,193	133,515	220,509	295,749	303,411	325,251	334,107	360,768
Wellington	25,944	70,728	159,357	249,531	323,421	324,147	334,002	339,927	360,624
Hamilton	1,200	3,543	20,097	50,505	138,645	146,148	158,043	166,128	184,908
Dunedin	23,244	64,236	85,608	105,003	107,331	107,526	110,793	107,088	110,997
Tauranga	1,149	1,347	5,808	24,660	62,370	70,257	82,149	95,664	108,882
Palmerston North	2,607	10,992	24,372	43,185	66,951	70,239	73,860	72,681	76,032
Hastings	1,503	6,285	17,919	32,490	56,718	57,267	58,584	59,211	62,118
Nelson	7,314	8,235	13,494	25,320	43,725	45,879	50,691	53,688	56,367
Napier	7,680	11,736	19,170	32,715	52,524	52,122	54,300	54,534	56,286
Rotorua	...	2,391	8,898	25,068	48,855	50,772	52,953	52,608	53,766
New Plymouth	3,093	5,238	18,597	32,388	47,370	47,655	48,873	47,763	49,281
Whangarei	...	2,664	9,867	21,789	44,097	44,406	45,963	46,107	49,080
Invercargill	8,250	15,858	25,911	41,088	52,818	51,540	49,404	46,305	46,773
Wanganui	4,902	14,703	25,749	35,694	40,512	41,100	41,097	39,423	38,988
Kapiti	...	1,068	5,367	12,306	23,040	27,345	30,288	33,672	37,347
Gisborne	2,193	8,196	15,879	25,065	32,019	31,401	32,607	31,722	32,529
Blenheim	3,093	3,771	5,037	11,955	22,998	23,799	25,752	26,592	28,527
Timaru	3,753	11,280	18,771	26,424	28,692	27,786	27,171	26,745	26,886
Pukekohe	...	...	...	...	14,220	15,324	16,917	18,825	22,518
Taupo	...	...	...	...	16,260	17,163	19,227	20,364	21,291
Masterton	...	5,181	9,096	15,120	19,353	19,770	19,686	19,497	19,497

(1) Excludes Māori. (2) Figures from 1986 onwards are census usually resident population counts, replacing census night population counts used previously.

Note: Confidentiality rules have been applied to all cells in this table, including randomly rounding to base 3.

Symbol: ... not applicable

Source: Statistics New Zealand

Population of local government areas

Table 5.10 shows the estimated resident population of New Zealand's regions and table 5.11 gives the estimated resident population of territorial authority areas (cities and districts).

Table 5.10

Estimated resident population of regional council areas

Regional council area ⁽¹⁾	At 30 June			Population change 2008–09	
	Estimated resident population ⁽²⁾			Number	Percent
	2006	2008	2009		
North Island					
Northland	152,700	154,700	155,800	1,060	0.7
Auckland	1,371,000	1,414,700	1,436,500	21,760	1.5
Waikato	395,100	402,200	406,500	4,350	1.1
Bay of Plenty	265,300	269,900	272,300	2,390	0.9
Gisborne	46,000	46,000	46,200	240	0.5
Hawke's Bay	152,100	152,800	153,400	640	0.4
Taranaki	107,300	107,500	108,100	650	0.6
Manawatu-Wanganui	229,400	229,200	230,200	970	0.4
Wellington	466,300	473,800	478,600	4,830	1.0
North Island	3,185,100	3,250,800	3,287,700	36,890	1.1
South Island					
Tasman	45,800	46,500	46,800	350	0.8
Nelson	44,300	44,700	45,000	340	0.8
Marlborough	43,600	44,500	45,000	450	1.0
West Coast	32,100	32,400	32,600	220	0.7
Canterbury	540,000	552,900	559,200	6,350	1.1
Otago	199,800	203,500	205,400	1,840	0.9
Southland	93,200	93,000	93,500	480	0.5
South Island	998,800	1,017,400	1,027,500	10,030	1.0
New Zealand⁽³⁾	4,184,600	4,268,900	4,315,800	46,910	1.1

(1) Boundaries at 30 June 2009. (2) Resident population estimates are not strictly comparable with census usually resident population counts, as the estimates include adjustments for census undercount and New Zealand residents temporarily overseas. (3) New Zealand comprises the North Island and South Island regions plus areas not included in a region (eg Chatham Islands territory).

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Table 5.11

Estimated resident population of territorial authority areas at 30 June

Territorial authority area ⁽¹⁾	Estimated resident population ⁽²⁾			Population change 2008–09	
	2006	2008	2009	Number	Percent
Far North district	57,500	57,900	58,000	150	0.3
Whangarei district	76,500	78,200	79,000	780	1.0
Kaipara district	18,550	18,600	18,750	130	0.7
Rodney district	92,400	96,400	98,100	1,710	1.8
North Shore city	216,900	223,000	225,800	2,800	1.3
Waitakere city	195,300	201,300	204,500	3,220	1.6
Auckland city	428,300	438,100	444,100	6,060	1.4
Manukau city	347,100	361,900	368,600	6,690	1.8
Papakura district	46,900	48,300	48,900	640	1.3
Franklin district	60,900	63,200	64,200	970	1.5
Thames-Coromandel district	26,700	26,800	26,800	40	0.1
Hauraki district	17,600	17,700	17,800	80	0.5
Waikato district	45,400	46,800	47,600	750	1.6
Matamata-Piako district	31,200	31,400	31,600	190	0.6
Hamilton city	134,400	138,500	140,700	2,250	1.6
Waipa district	43,700	44,700	45,100	430	1.0
Otorohanga district	9,310	9,220	9,250	30	0.3
South Waikato district	23,200	22,800	22,800	40	0.2
Waitomo district	9,680	9,600	9,620	20	0.2
Taupo district	33,400	33,400	33,600	190	0.6
Western Bay of Plenty district	43,000	44,200	44,800	570	1.3
Tauranga city	106,900	110,700	112,600	1,840	1.7
Rotorua district	68,100	68,100	68,200	110	0.2
Whakatane district	34,500	34,400	34,300	-30	-0.1
Kawerau district	7,150	7,050	7,010	-40	-0.6
Opotiki district	9,200	9,060	9,020	-40	-0.5
Gisborne district	45,900	45,900	46,200	240	0.5
Wairoa district	8,720	8,480	8,420	-60	-0.7
Hastings district	73,200	73,900	74,300	460	0.6
Napier city	56,800	57,000	57,200	200	0.3
Central Hawke's Bay district	13,250	13,300	13,350	40	0.3
New Plymouth district	71,100	71,800	72,300	540	0.8
Stratford district	9,120	9,100	9,140	30	0.4
South Taranaki district	27,200	26,800	26,800	80	0.3
Ruapehu district	14,050	13,650	13,600	-50	-0.3
Wanganui district	43,800	43,400	43,400	-30	-0.1
Rangitikei district	15,150	14,950	14,900	-50	-0.3
Manawatu district	29,000	29,300	29,500	220	0.8
Palmerston North city	78,500	79,300	80,300	930	1.2
Tararua district	18,050	17,750	17,700	-60	-0.3
Horowhenua district	30,600	30,600	30,600	0	0.0
Kapiti Coast district	47,500	48,400	48,900	510	1.0
Porirua city	50,600	51,000	51,500	500	1.0
Upper Hutt city	39,700	40,200	40,600	440	1.1
Lower Hutt city	101,300	101,700	102,100	440	0.4
Wellington city	187,700	192,800	195,500	2,720	1.4
Masterton district	23,200	23,200	23,300	100	0.4
Carterton district	7,260	7,360	7,420	60	0.8
South Wairarapa district	9,120	9,190	9,250	60	0.6
Tasman district	45,800	46,500	46,800	350	0.8
Nelson city	44,300	44,700	45,000	340	0.8
Marlborough district	43,600	44,500	45,000	450	1.0
Kaikoura district	3,730	3,770	3,780	10	0.3
Buller district	9,940	9,960	10,000	50	0.5
Grey district	13,550	13,650	13,750	110	0.8
Westland district	8,620	8,770	8,840	60	0.7
Hurunui district	10,750	10,900	11,000	130	1.2
Waimakariri district	44,100	46,100	46,900	830	1.8
Christchurch city	361,800	369,000	372,600	3,670	1.0
Selwyn district	35,000	37,500	38,600	1,060	2.8
Ashburton district	28,000	28,700	29,100	380	1.3
Timaru district	43,800	43,900	44,100	200	0.5
Mackenzie district	3,900	3,950	3,960	10	0.4
Waimate district	7,380	7,450	7,500	50	0.6
Chatham Islands territory	650	640	640	0	0.1
Waitaki district	20,700	20,700	20,700	40	0.2
Central Otago district	17,050	17,700	17,950	250	1.4
Queenstown-Lakes district	24,100	26,400	27,100	700	2.7
Dunedin city	122,300	123,000	123,700	780	0.6
Clutha district	17,200	17,350	17,400	70	0.4
Southland district	29,200	29,100	29,300	170	0.6
Gore district	12,400	12,250	12,250	10	0.1
Invercargill city	51,600	51,600	51,900	310	0.6
New Zealand⁽³⁾	4,184,600	4,268,900	4,315,800	46,910	1.1

Source: Statistics New Zealand

Information about genetic origins

Since 2005, the office of Births, Deaths and Marriages (BDM) has administered the Human Assisted Reproductive Technology (HART) register, which will enable donor offspring – people born from donated embryos, sperm, or eggs – to get information about their genetic origins.

In accordance with the Human Assisted Reproductive Technology Act 2004, the HART register holds information about donors, donor offspring, and guardians who have been involved in treatment at fertility clinics using donated embryos, sperm, or eggs.

Only those donations made on or after 22 August 2005 that result in a birth will automatically be included on the register. However, people who donated sperm, eggs, or embryos before 22 August 2005, and people who were born as a result of those donations (and their guardians), can choose to provide information for the register.

Access to information is generally restricted to the people named on the register, or the guardians of offspring under the age of 18.

Source: Department of Internal Affairs

(1) Boundaries at 30 June 2009. (2) Resident population estimates are not strictly comparable with census usually resident population counts, as the estimates include adjustments for census undercount and New Zealand residents temporarily overseas. (3) Includes the population of inlets, islands, ships, and oil rigs which are not included in a territorial authority area.

Note: Figures may not add up to stated totals due to rounding.

Table 5.12

Fertility trends			
Year ending 31 December			
Year	Live births	Crude birth rate ⁽¹⁾	Total fertility rate ⁽²⁾
1881 ⁽³⁾	18,732	38.00	..
1886 ⁽³⁾	19,299	33.14	..
1891 ⁽³⁾	18,273	29.01	..
1896 ⁽³⁾	18,612	26.35	..
1901 ⁽³⁾	20,491	26.34	..
1906 ⁽³⁾	24,252	27.08	..
1911 ⁽³⁾	26,354	25.99	..
1916 ⁽³⁾	28,509	25.94	..
1921	29,623	23.24	3.08
1926	29,904	21.15	2.88
1931	28,867	19.06	2.56
1936	28,395	18.03	2.30
1941	39,170	24.02	2.93
1946	47,524	27.01	3.45
1951	49,806	25.57	3.60
1956	56,531	25.90	3.98
1961	65,390	26.95	4.31
1966	60,003	22.37	3.41
1971	64,460	22.51	3.18
1976	55,105	17.60	2.27
1981	50,794	16.09	2.01
1986	52,823	16.12	1.96
1991	59,911	17.14	2.09
1996	57,280	15.34	1.96
2001	55,799	14.36	1.97
2002	54,021	13.67	1.89
2003	56,134	13.94	1.93
2004	58,073	14.20	1.98
2005	57,745	13.96	1.97
2006	59,193	14.14	2.01
2007	64,044	15.14	2.17
2008	64,343	15.06	2.18

(1) Live births per 1,000 mean estimated population. (2) The average number of live births that a woman would have during her life if she experienced the age-specific fertility rates of that year. (3) Excludes the Māori population.

Note: Birth and fertility rates for 1991 onwards are based on the resident population concept, replacing the de facto population concept used previously.

Symbol: .. figure not available

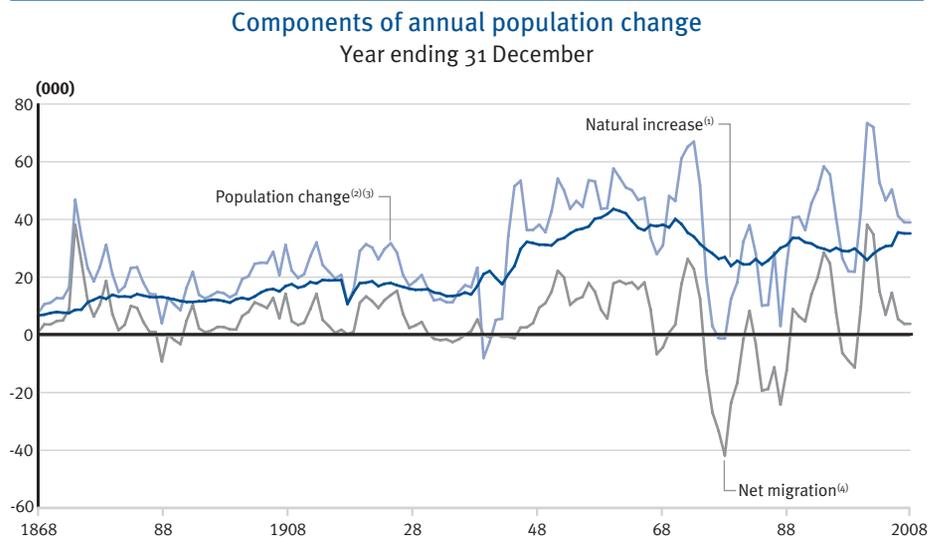
Source: Statistics New Zealand

Components of population change

Population change has two main components, natural increase (the excess of births over deaths) and net migration (the difference between arrivals and departures).

Figure 5.05 shows New Zealand's population change from 1868 to 2008 and contributions made by natural increase and net migration.

Figure 5.05



(1) Before 1991, based on all births and deaths registered in New Zealand. From 1991, based on births registered in New Zealand to mothers resident in New Zealand. (2) Before 1926, this equals natural increase plus net migration. From 1926, data is sourced from population estimates and may differ from the sum of the natural increase and net migration series given. (3) Before 1991, this is the change in the de facto population. From 1991, this is the change in the resident population. (4) Before 1922, calculated from all arrivals minus all departures. From 1922, calculated from permanent and long-term arrivals minus permanent and long-term departures.

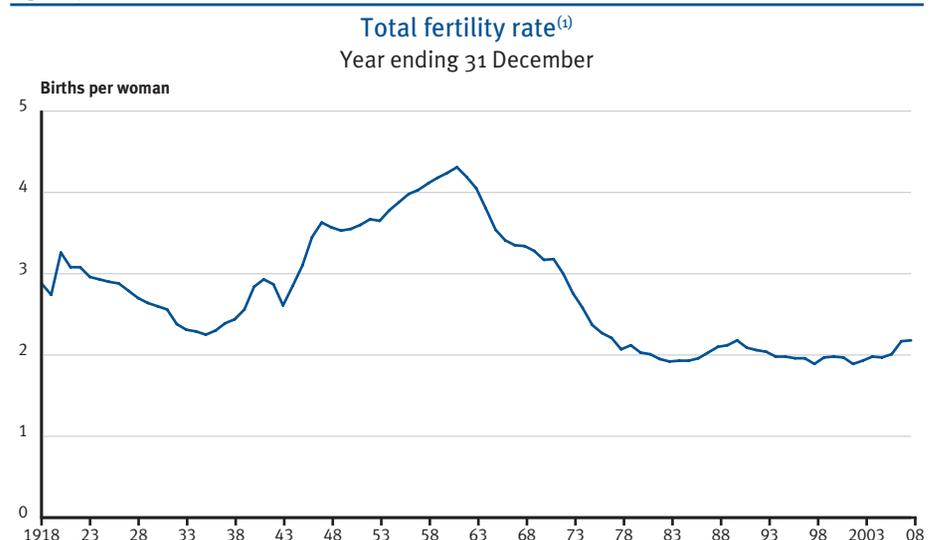
Source: Statistics New Zealand

Fertility

Changing levels of fertility over the years have played a major role in determining the size and structure of New Zealand's population. Figure 5.06 shows the significant changes in the fertility rate (births per woman) in New Zealand from 1918 to 2008. In 1935, the fertility rate in New Zealand fell to 2.2 births per woman. This was attributed to fewer and later marriages, and limitation of family size within marriage. With demobilisation of forces after World War II and the resulting increase in marriages and births, the fertility rate reached 3.6 births per woman in 1947.

Other features of the years following World War II were New Zealanders marrying younger and marriage becoming almost universal. By 1961, half of all women were married before the age of 22,

Figure 5.06



(1) The average number of live births that a woman would have during her life if she experienced the age-specific fertility rates of a given period (usually a year).

Source: Statistics New Zealand

compared with barely one-quarter married by that age in the early 1940s. These trends were reinforced by early childbearing and the shortening of intervals between births.

The median age of women having their first child fell from 25.4 years in 1945 to 22.8 years in 1964. Fewer couples remained childless or had only one child. The net result was soaring birth numbers, up from 27,000 in 1935 to about 42,000 in 1945, and to 65,000 in 1961. About 1.13 million New Zealanders were born between 1946 and 1965 – the ‘baby boomers’.

At its peak in 1961, the total fertility rate exceeded 4.3 births per woman, and significantly exceeded figures for other developed nations. The upward trend was reversed in the early 1960s just as suddenly as it had begun, which has prompted demographers to suggest that the baby boom was merely a temporary diversion from a long-term downward trend.

The turnaround coincided with introduction of the oral contraceptive pill in the early 1960s, but the ‘cause-and-effect’ relationship is not clear-cut. It is possible that increased acceptance and use of the pill helped sustain the downward trend.

By the mid-1970s, the post-World War II rise in fertility had ended. The total fertility rate fell to ‘replacement level’ (2.1 births per woman) in 1978, largely driven by fewer women in their twenties having babies. Since 1980, fertility in New Zealand has been slightly below the replacement level, with the exception of short periods around 1990 and 2008.

Despite the decrease in fertility rates, the number of live births in 2008 (64,000) was only slightly lower than in 1961 (65,000). This is because the population as a whole increased from 2.4 million in 1961 to 4.3 million in 2008.

Table 5.12 shows fertility trends from 1881 to 2008.

Table 5.13 provides a summary of vital statistics for the New Zealand population from 1950 to 2008.

The median age of women having their first child rose steadily from 22.8 years in 1964 to 28.5 years in 2003, and dropped slightly to 27.7 years in 2008 as women born around 1990 entered their child-bearing years. In 2002, the 30–34-year age group replaced the 25–29-year age group as the most common for childbearing. Figure 5.07 (overleaf) shows the median age of childbearing for New Zealand women from 1963 to 2008, based on all live births.

The dynamics of the fertility decline and of current low fertility levels are complex. Increased use of contraceptives, increased participation of women in the labour force, rising divorce rates, and general economic conditions have probably all, directly or indirectly, contributed.

Table 5.13

Vital statistics					
Year ending 31 December					
Year	Live births	Deaths	Natural increase ⁽¹⁾	Median age at death	
				Male	Female
			Number		
			Years		
1950	49,331	18,084	31,247	68.0	69.7
1955	55,596	19,225	36,371	68.9	72.1
1960	62,779	20,892	41,887	69.8	74.0
1965	60,047	22,976	37,071	69.0	74.7
1970	62,050	24,840	37,210	68.5	75.0
1975	56,639	25,114	31,525	68.6	74.9
1980	50,542	26,676	23,866	70.4	75.7
1985	51,798	27,480	24,318	71.4	77.2
1990	60,153	26,531	33,622	72.0	77.7
1995	57,671	27,813	29,858	73.3	79.3
1996	57,280	28,255	29,025	73.5	79.7
1997	57,604	27,471	30,133	73.5	80.1
1998	55,349	26,206	29,143	73.8	79.9
1999	57,053	28,122	28,931	74.5	80.6
2000	56,605	26,660	29,945	74.8	80.5
2001	55,799	27,825	27,974	75.0	81.3
2002	54,021	28,065	25,956	75.5	81.4
2003	56,134	28,010	28,124	75.7	81.5
2004	58,073	28,419	29,654	76.2	82.0
2005	57,745	27,034	30,711	75.8	82.0
2006	59,193	28,245	30,948	76.3	82.3
2007	64,044	28,522	35,522	76.5	82.5
2008	64,343	29,188	35,155	76.8	82.6

(1) Live births minus deaths.

Note: Figures from 1991 onwards are based on the resident population concept, replacing the de facto population concept used previously.

Source: Statistics New Zealand

Sophie and Jack still on top

Top 20 male and female names For children born 2008 and 2009

Rank	2008	2009
Female names		
1	Sophie	Sophie
2	Olivia	Ruby
3	Ella	Olivia
4	Isabella	Isabella
5	Charlotte	Ella
6	Lily	Emily
7	Emma	Charlotte
8	Emily	Lily
9	Jessica	Emma
10	Grace	Amelia
11	Hannah	Chloe
12	Chloe	Grace
13	Ruby	Zoe
14	Lucy	Paige
15	Ava	Ava
16	Amelia	Lucy
17	Madison	Jessica
18	Maia	Isla
19	Mia	Hannah
20	Holly	Madison
Male names		
1	Jack	Jack
2	James	Oliver
3	William	James
4	Samuel	Joshua
5	Joshua	William
6	Riley	Samuel
7	Liam	Liam
8	Oliver	Benjamin
9	Benjamin	Daniel
10	Daniel	Thomas
11	Thomas	Lucas
12	Jacob	Riley
13	Ethan	Ryan
14	Jayden	Ethan
15	Noah	Jacob
16	Ryan	Noah
17	Lucas	Hunter
18	Luke	Max
19	Max	Alexander
20	Hunter	Jayden

Source: Department of Internal Affairs

Image removed due to copyright issues

The Dominion Post

Tammy Rosewarne (centre) and her baby Taihuka Blaze Tahata, with firefighters from the Karori fire station. Ms Rosewarne was on the way to the hospital when she started giving birth. Luckily she and her partner were near the Karori fire station, where staff were on hand to help with the delivery.

Demographic measures for 2005–07 indicate a significant ethnic difference in fertility, with the birth rate for Pacific, Māori, European, and Asian women at 3.0, 2.8, 1.9, and 1.5 births, respectively.

Patterns of marriage and family formation have changed radically, with a shift away from early marriage and childbearing, toward later marriage and delayed parenthood. The general marriage rate peaked in 1971 (45 marriages per 1,000 not married adults) before dropping to 14 per 1,000 in 2006.

Between 1971 and 1986, the first-marriage rate for women aged 20–24 dropped by about two-thirds, from 314 to 113 marriages per 1,000 never-married women. By 2006, the first-marriage rate for women aged 20–24 had dropped to 32 per 1,000. Men and women who were marrying for the first time in 2006, were, on average, marrying about seven years later than those who married

Births, deaths, marriages, civil unions

Births, Deaths and Marriages (BDM) registers and maintains birth, death, marriage, civil union, and name change information, and issues certificates and printouts. BDM also appoints marriage and civil union celebrants.

Births All births in New Zealand must be registered. Hospitals, doctors, or midwives must notify BDM of the birth within five working days, and the child's parents must jointly register the birth within two months. There is no fee for this service, but a fee applies for providing birth certificates.

Deaths All deaths in New Zealand must be registered. The funeral director or other person in charge of the burial or cremation must notify BDM within three working days of the burial or cremation. There is no fee for registering a death, but a fee applies for providing death certificates.

Marriages Anyone wishing to marry in New Zealand must give notice to a registrar of marriages. A marriage licence is normally issued no earlier than the third day after the day the notice was given, and is valid for three months. Marriages can be conducted by a registrar at a registry office or by a marriage celebrant at any other place. Where a couple are in a civil union and are eligible to marry, they may change their relationship to a marriage without formally dissolving their civil union. Same-sex couples may not marry in New Zealand. Fees apply for marriage licences, registry office marriages, and marriage certificates.

Civil unions Anyone wishing to enter into a civil union must give notice to a registrar of civil unions.

Same-sex or opposite-sex couples may enter into a civil union in New Zealand. A civil union licence is issued no earlier than the third day after the day the notice was given and is valid for three months. A married couple may change their relationship to a civil union without formally dissolving their marriage. Civil unions can be conducted by a registrar at a registry office or by a civil union celebrant at any other place. Fees apply for civil union licences, registry office civil unions, and civil union certificates.

Name changes To apply for registration of a name change, the person's birth must be registered in New Zealand or they must be a New Zealand citizen or entitled, under the Immigration Act 1987, to be in New Zealand indefinitely. If the person's birth is registered in New Zealand they may be provided with a birth certificate, whereas people born overseas may only be provided with a name change certificate. Fees apply for name changes, birth certificates, and name change certificates.

Marriage celebrants BDM appoints marriage celebrants under the Marriage Act 1955. The list of marriage celebrants is published in the *New Zealand Gazette* annually and on the Department of Internal Affairs (DIA) website, where names are updated throughout the year. Marriage celebrants must apply each year to renew their appointment.

Civil union celebrants BDM appoints civil union celebrants under the Civil Union Act 2004. The list of civil union celebrants is published in the *New Zealand Gazette* annually and on the DIA website, where names are updated throughout the year. Civil union celebrants must apply each year to renew their appointment.

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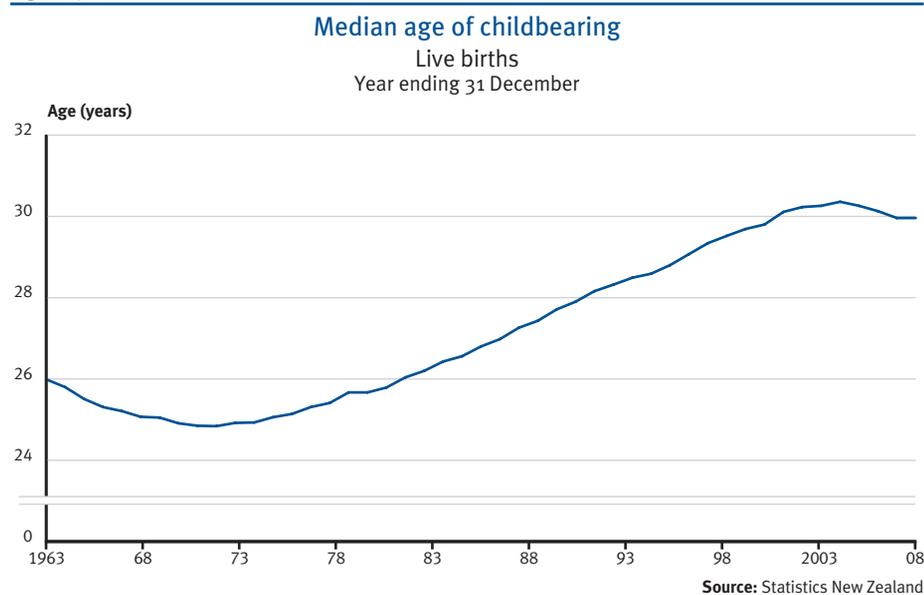
The Dominion Post

Wellington couple Craig Lord and Nick Sole celebrate their civil union. The introduction of civil unions in 2004 made it possible for same-sex relationships to become officially recognised.

Certificates Birth, death, marriage, civil union, and name change certificates and printouts can be ordered from BDM.

Source: Department of Internal Affairs

Figure 5.07



for the first time in 1971. In 2006, the median age for women at first marriage was 28.2 years, and 30.0 years for men. This compares with 20.8 and 23.0 years, respectively, in 1971.

More New Zealanders are remaining single through their twenties. The substantial postponement of marriage has been partly offset by the growth of de facto relationships (cohabitation outside marriage). Such relationships may be either a prelude to, or a substitute for, formal marriage.

A growing proportion of women are remaining childless. Of those women aged 40–44 years at the time of the 2006 Census, 15 percent were childless, up from 12 percent childlessness in this age group in 1996, and 9 percent in 1981. A similar increase was also found in the next age group, with the proportion of women aged 45–49 years who were childless in 1981 (9 percent) increasing to 10 percent in 1996, and then to 13 percent in 2006.

Mortality

A temperate climate, low population density, lack of heavy industry, and good nutrition have given New Zealand a comparative advantage over other nations in terms of health. Ongoing advances in living standards, medical knowledge, technology, and health services continue to increase life expectancy.

Nevertheless, life expectancy for the total New Zealand population masks the fact that Māori life expectancy is much lower than for non-Māori, and that New Zealand life expectancy rates have been overtaken by some other countries, as shown in table 5.15 (overleaf).

A large part of longevity improvement in New Zealand occurred before 1930 and was due to the saving of life at younger ages. Allowing for higher Māori mortality, the infant mortality rate

Table 5.14

Year	Mortality trends			
	Year ending 31 December			
	Infant mortality rate ⁽¹⁾	Crude death rate ⁽²⁾	Age standardised death rates ⁽³⁾	
Total			Māori	
1901 ⁽⁴⁾	71.40	9.81	..	..
1921	47.82	9.00	..	..
1941	39.88	10.45	..	..
1961	22.79	8.98	8.97	15.91
1981	11.65	7.97	7.33	11.18
2001	5.30	7.16	4.79	8.27
2002	5.55	7.10	4.69	8.06
2003	4.93	6.95	4.57	8.06
2004	5.58	6.95	4.49	7.78
2005	5.11	6.54	4.17	7.41
2006	5.07	6.75	4.19	7.25
2007	4.95	6.74	4.14	7.07
2008	5.00	6.83	4.10	6.99

(1) Deaths of children under one year per 1,000 live births. (2) Deaths per 1,000 mean estimated population. (3) The mean estimated population for the year ending 31 December 1961 was taken as the standard. (4) Excludes the Māori population.

Note: Death rates for 1991 onwards are based on the resident population concept.

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Source: Statistics New Zealand

Increasing ethnic diversity?

It has been said that at least half of New Zealand's population will be of Māori or Pacific ethnicity by 2050. Sometimes it is said that half of a given age group will be Māori, Pacific, or Asian by a certain year. But is there any basis to these forecasts?

Statistics New Zealand does not derive ethnic population projections as far out as 2050. This reflects the uncertain nature of ethnic identification and uncertain trends in ethnic fertility, mortality, and migration. These uncertainties mean ethnic population projections are too imprecise to be informative in the long term. The concept of ethnicity also continues to evolve; for example, from previous ethnicity measures based on degree of blood to the self-identified affiliation widely used today.

Even in the 1990s when Statistics NZ did publish limited ethnic population projections to 2050, the projections indicated nothing like a 50 percent share for any combination of Māori, Pacific, or Asian populations. The latest ethnic population projections, released in 2008, indicate that by 2026 the proportion of the national population identifying with the broad Māori, Pacific, and Asian ethnic groups will increase to 17 percent, 10 percent, and 16 percent, respectively (mid-range projection series 6). Under a comparable scenario, the proportion identifying with a European ethnicity or with 'New Zealander' will drop from 77 percent in 2006 to 69 percent in 2026. However, even the broad European population will continue to increase in number over that 20-year period.

Part of the 2050 claim is probably related to multiple ethnicity. People can and do identify with more than one ethnicity. For most purposes, including population projections, it makes sense to include people in each ethnic group that they have chosen. Certainly, Statistics NZ has no basis for excluding people from any of their chosen ethnic groups. However, adding overlapping ethnic populations together gives misleading results.

For example, from 2006 population estimates based partly on the 2006 Census, Māori made up 15 percent of New Zealand's population, Pacific peoples 7 percent, and Asian 10 percent. Added together that comes to 32 percent. However, those populations overlap so the true proportion identifying with a Māori, Pacific, or Asian ethnicity was actually 30 percent in 2006. Moreover, these groups overlap with the European (and/or 'New Zealander') population, which made up 77 percent of New Zealand's population in 2006. And another 1 percent of people identified with Middle Eastern, Latin American, and African ethnicities.

The 2050 claim may also be related to differential birth rates. As of 2009, about 2 births in 5 have a Māori and/or Pacific parent. Similarly, about half of children born have a Māori, Pacific, and/or Asian ethnicity. Because of this pattern of births, New Zealand would eventually have half of its population identifying with a Māori and/or Pacific and/or Asian ethnicity if all other factors remained constant. However, this is unlikely to be the case because of the confounding effects of differential mortality, migration, and ethnic identification (including people changing ethnic identity over time). It would also take a very long time for this proportion to filter through all ages of the population.

In summary, New Zealand is expected to become more ethnically diverse in terms of the numbers and proportions of people identifying with non-European ethnicities. However, claims that half of New Zealand's population will be Māori and/or Pacific and/or Asian by 2050 are not based on any published demographic statistics.

Source: Statistics New Zealand

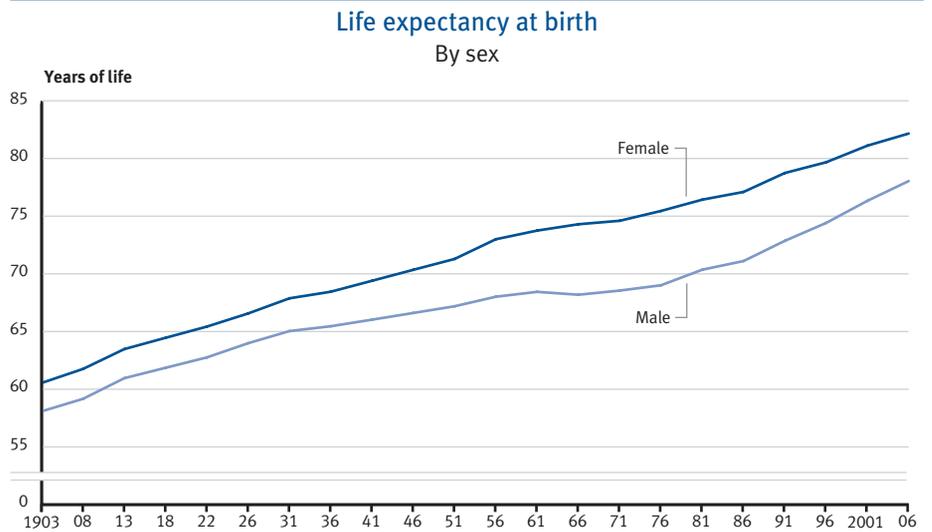
Table 5.15

Life expectancy at birth International comparisons			
Country	Period	Male	Female
		Years of life	
New Zealand	1901–05⁽¹⁾	58.1	60.6
Australia	1901–10	55.2	58.8
Denmark	1895–1900	50.2	53.2
Japan	1899–1903	44.0	44.8
Norway	1901–05	54.0	56.9
United Kingdom	1906	48.0	51.6
New Zealand	1950–52	67.2	71.3
Australia	1953–55	67.1	72.8
Denmark	1951–60	70.1	73.2
Japan	1950–52	59.6	63.0
Norway	1951–55	71.1	74.7
United Kingdom	1951	66.2	71.2
New Zealand	1960–62	68.4	73.8
Australia	1960–62	67.9	74.2
Denmark	1961–62	70.4	74.4
Japan	1960	65.3	70.2
Norway	1961–65	71.0	76.0
United Kingdom	1961	67.8	73.7
New Zealand	1970–72	68.5	74.6
Australia	1971	68.3	74.8
Denmark	1971–75	70.9	76.5
Japan	1970	69.3	74.7
Norway	1971–75	71.4	77.7
United Kingdom	1971	68.8	75.0
New Zealand	1980–82	70.4	76.4
Australia	1981	71.4	78.4
Denmark	1981–82	71.4	77.4
Japan	1980	73.4	78.8
Norway	1981–85	72.7	79.4
United Kingdom	1980–82	70.8	76.8
New Zealand	1990–92	72.9	78.7
Australia	1991	74.4	80.3
Denmark	1991–92	72.4	77.9
Japan	1990	75.9	81.9
Norway	1991–95	74.4	80.4
United Kingdom	1990–92	73.2	78.7
New Zealand	2000–02	76.3	81.1
Australia	2000–02	77.4	82.6
Denmark	2001–02	74.6	79.2
Japan	2000	77.7	84.6
Norway	2001–05	76.9	81.9
United Kingdom	2000–02	75.7	80.4
New Zealand	2006–08	78.2	82.2
Australia	2005–07	79.0	83.7
Denmark	2007	76.2	80.6
Japan	2007	79.2	86.0
Norway	2007	78.3	82.9
United Kingdom	2006–08	77.5	81.7

(1) Excludes the Māori population.

Source: Statistics New Zealand

Figure 5.08



Note: Life tables before 1950 were prepared for the non-Māori population only.

Source: Statistics New Zealand

fell steadily from more than 100 deaths per 1,000 live births in the late 19th century to about 50 deaths per 1,000 births in the 1920s. As table 5.14 shows, the infant mortality rate (deaths under the age of one year) has continued to drop, from 23 deaths per 1,000 births in 1961, to 5 deaths per 1,000 births in 2008.

Significant ethnic differences exist in mortality rates. According to 2005–07 complete period life tables, a newborn girl could expect to live 82.2 years, and a newborn boy could expect to live 78.0 years. For Māori, life expectancy was 75.1 years for newborn girls and 70.4 years for boys. Higher Māori death rates at ages 45–84 account for about three-quarters of these differences, and this partly reflects different rates of smoking and diabetes, as well as socio-economic differences. For example, the 2006 Census reported that 42 percent of Māori aged 15 and over were regular smokers, compared with 18 percent of the non-Māori population.

Women live longer than men and experience lower death rates at all ages, although men have closed the gap in recent decades. A century ago, women could expect to outlive men by about 2.6 years. By 1950–52, the female advantage had increased to 4.1 years, and by 1975–77 it was 6.4 years. However, the male-female difference has since narrowed to 4.1 years in 2005–07.

Image removed due to copyright issues

The New Zealand Herald

Gloria Letiu at the funeral of her brother, New Zealand volunteer firefighter Levaopolo Peter Letiu, at a funeral parlour in Apia. Letiu died when the fire truck he was a passenger in rolled while on the way to help after the 2009 tsunami in Samoa.

International migration

New Zealand has traditionally been a country of immigration. From the 1840s, when European migration to New Zealand began in earnest, net inflows of migrants were recorded almost every year until 1932. The Great Depression and World War II then contributed to migrant departures exceeding arrivals in most years between 1932 and 1945.

The number of immigrants increased sharply after World War II, helped by the reintroduction (in 1947) of an assisted/free passage scheme to attract working-age industrial and agricultural labour from the United Kingdom. New Zealand experienced a net gain of about 285,000 migrants between 1946 and 1967.

After net outflows in 1968 and 1969, arrivals increased rapidly again in response to a labour shortage. However, the net migration high of 26,000 in 1973 coincided with an easing of the labour shortage, and led to a review of immigration policy. The Government adopted a new immigration policy in 1974 that ended unrestricted immigration from the United Kingdom and Ireland.

As a result of this, and the end of the assisted passage scheme in 1975, immigration from the United Kingdom decreased, and Australia became the biggest source and destination country for migrants. The reciprocal trans-Tasman travel agreement, which allows free movement of residents between Australia and New Zealand, was not altered in the 1974 policy changes.

The second half of the 1970s and the 1980s was characterised by net migration outflows and large fluctuations in the number of departures, particularly to Australia. Between 1975 and 1979, the annual number of emigrants doubled from 41,000 to 83,000, resulting in net losses that peaked at 42,000 in 1979.

Departures decreased between 1979 and 1983, before increasing again to another peak in 1988. In total over the 1976–89 period, New Zealand had a net loss of 237,000 people through migration.

Further changes to immigration policy in the late 1980s and early 1990s eased restrictions on immigration, and saw Asia become the leading source region of immigrants between 1994 and 1998. The 27,000 permanent and long-term arrivals from Asia in 1996 compared with just 4,000 in 1986.

Permanent and long-term arrivals from all countries increased from 48,000 in 1992 to 79,000 in 1996 and, together with fewer departures, ensured net migration remained positive between 1990 and 1997. The net migration gains during this period peaked at 28,000 in 1995.

After the mid-1990s, fluctuations in departures to Australia and further changes to immigration policy continued to affect net migration levels. Net outflows were experienced between 1998 and 2000, but just a few years later there were record net inflows of 38,000 in 2002 and 35,000 in 2003.

A large number of overseas student arrivals, particularly from China, and increased arrivals for residence, contributed to these very high net inflows. Again, Asia was the leading source of immigrants between 2000 and 2003, contributing 36 percent of all permanent and long-term arrivals over this period.

After the 2002 peak, an increase in departures to Australia pushed net migration down, with only 4,000 more arrivals than departures in 2008. Although there was a net outflow of 35,000 people to Australia in 2008, this was more than offset by net inflows from other countries, including the United Kingdom (8,000), India (5,000), Philippines (4,000), South Africa, Fiji, and China (each 3,000).

Composition of the population

Age and sex

The age and sex profile of a population represents the cumulative effect of past changes in the dynamics of population growth – fertility, mortality, and migration.

At the time of the 2006 Census, there were slightly more females than males in the New Zealand population. This contrasts with early colonial days, when there was a large surplus of males, especially young males. Each census has seen the sex ratio draw closer to parity, with two exceptions – when there was a temporary excess of females during World War I and, again, during World War II. In 1968, females again outnumbered males, and the ratio of females to males has increased steadily since then.

The 2006 Census showed there were 1,965,618 males and 2,062,329 females usually resident in New Zealand, representing a ratio of 95 males to 100 females. There was a preponderance of females among the older population (those aged 65 years and over), with 81 males to 100 females in 2006. At ages below 65 years, the sex ratio was 98 males to 100 females.

Figure 5.09 (overleaf) shows the age and sex distribution of the New Zealand population from 1981 to 2006.

Table 5.16

International migration			
Year ending 31 December			
Year	Permanent and long-term		
	Arrivals	Departures	Net
Five-year totals			
1930	48,794	16,222	32,572
1935	9,587	16,337	-6,750
1940	23,334	18,338	4,996
1945	6,765	9,872	-3,107
1950	62,882	33,225	29,657
1955	117,972	38,196	79,776
1960	115,337	54,989	60,348
1965	166,432	78,072	88,360
1970	158,274	141,530	16,744
1975	282,463	199,542	82,921
1980	202,041	340,045	-138,004
1985	205,315	237,787	-32,472
1990	242,273	299,788	-57,515
1995	295,748	222,383	73,365
2000	327,598	321,787	5,811
2005	429,147	324,238	104,909
Annual totals			
1988	46,529	70,725	-24,196
1989	49,260	61,535	-12,275
1990	56,482	47,514	8,968
1991	50,578	44,181	6,397
1992	48,144	43,504	4,640
1993	55,081	41,096	13,985
1994	64,382	44,525	19,857
1995	77,563	49,077	28,486
1996	79,005	54,212	24,793
1997	67,636	60,012	7,624
1998	58,220	64,485	-6,265
1999	59,743	68,772	-9,029
2000	62,994	74,306	-11,312
2001	81,094	71,368	9,726
2002	95,951	57,753	38,198
2003	92,660	57,754	34,906
2004	80,479	65,371	15,108
2005	78,963	71,992	6,971
2006	82,732	68,123	14,609
2007	82,572	77,081	5,491
2008	87,463	83,649	3,814

Source: Statistics New Zealand

Online census option

The five-yearly Census of Population and Dwellings carried out by Statistics New Zealand is the country's biggest official survey. The 2006 Census was the first time respondents were given the option of completing their census forms online. Internal and public trials were carried out in the months before census day to ensure that the system was not only simple to use, but also maintained the confidentiality and privacy of information. The online option included forms in both Māori and English languages.

Approximately 7 percent of all 2006 Census forms were completed online. This represents nearly 400,000 census dwelling or individual forms. The online census forms were well received, both by respondents who used them and by the media. A Research New Zealand survey showed that 97 percent of those who were surveyed and had filled out the online forms, found it easy to do so.

The Internet option will be available again for the 2011 Census; however, every household will still have the option of using paper forms. Although it is likely that the proportion of households who have Internet access will continue to grow, there will still be respondents who do not have Internet access, or who prefer to complete paper forms.

Source: Statistics New Zealand

Figure 5.09

Age-sex distribution

Total population at selected census years

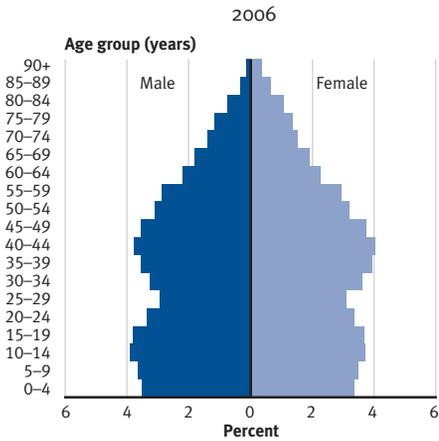
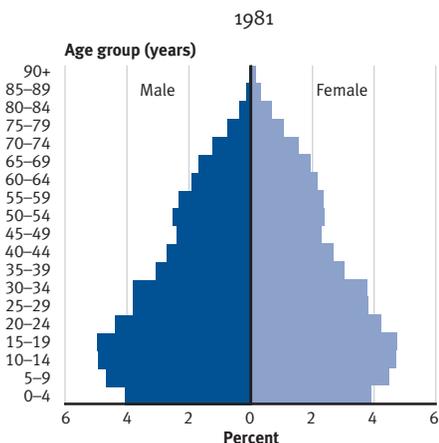
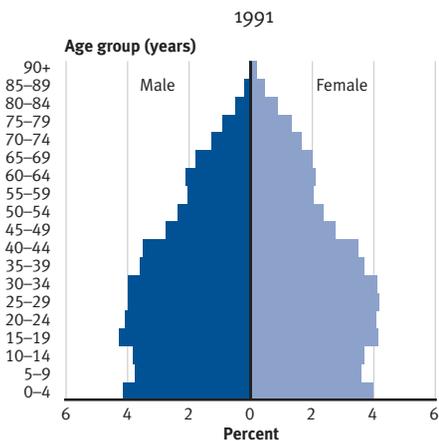
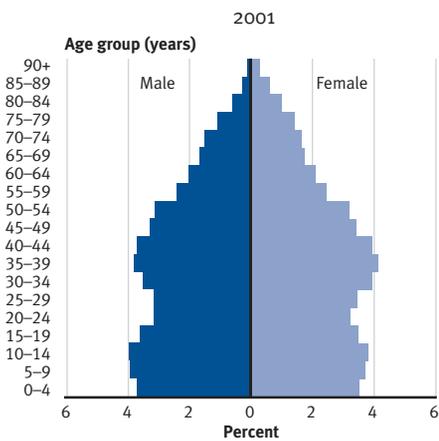


Image removed due to copyright issues



Source: Statistics New Zealand

The Dominion Post

Nowadays people are living longer and remaining healthier in their senior years. Des Sharp, aged 80, is working out at the gym in preparation for a six-week trek over the Pyrenees mountains.

Changes in the age structure of New Zealand's population in the past 100 years largely reflect the 'roller coaster' movements in the birth rate, with small and large birth cohorts moving through the age structure. However, migration gains and losses (dominated by people of younger and middle working ages) have added significantly to these structural changes.

The baby boom lifted the proportion of children in the population to 33 percent in 1961, with nearly half of the population aged under 25 at that time. The subsequent sharp decline in fertility, increased longevity, and the movement of the baby boom 'bulge' into working ages, caused a major realignment of the age structure. The median age of the population rose by 7.8 years between 1981 and 2006, from 28.1 years to 35.9 years.

At the 2006 Census, there were 867,576 children under the age of 15 who were usually resident in New Zealand (up from 846,600 in 1981). They made up 22 percent of the population (down from 27 percent in 1981). The 15-64-year age group increased by more than half a million between 1981 and 2006, to number 2,664,768 at the 2006 Census.

The greatest change in the age structure of the population is at the older ages. Since 1981, the number of people aged 65 and over has increased by more than one-and-a-half times (from 309,792 to 495,600), and the number aged 80 and over has more than doubled (from 53,538 to 128,904).

Contributors and related websites

Births, Deaths and Marriages – www.bdm.govt.nz

Department of Internal Affairs – www.dia.govt.nz

Ministry of Education – www.minedu.govt.nz

Statistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

The Dominion Post

Fifteen of Wellington's Asian ethnicities are represented in this photo, including people from Malaysia, Japan, Iraq, India, and Thailand. The capital city has the most New Zealand-born Chinese and Indian people, and through its diplomatic posts, international students, and strong ethnic communities, Wellington is second to Auckland in the size of its Asian community.

6 | Social framework

Information in this chapter is based on the census 'usually resident population count' – a count of all people who usually live in New Zealand and were present in New Zealand on the night of the census. It excludes visitors from overseas and New Zealand residents who were temporarily overseas on census night.

Social diversity

Ethnicity

Ethnicity is a key variable used to explain differences in social characteristics, social well-being, and social change. The population census has traditionally been the main source of national statistics on ethnicity in New Zealand. Over time, the question's focus has changed from race to ancestry to ethnic origin and finally to self-identified ethnicity. Since 1991, people have been asked to identify which ethnic group, or groups, they belong to, and multiple responses are counted.

The 2006 Census showed that New Zealand's ethnic make-up continues to change.

Although the total European grouping, including New Zealand European, remained the largest of the major ethnic groups in 2006, it reduced from 80.0 percent of the population in 2001 to 67.6 percent in 2006 (2,609,592 people). The main reason is that, for the first time, 'New Zealander' responses were counted separately from the European category. In 2006, 11.1 percent of the total population (429,429 people) gave 'New Zealander' as their only or as one of their responses, making this the third-largest category in the census.

The Māori ethnic group is the second largest, with 14.6 percent of the total population (565,329 people) – an increase of 7.4 percent (39,048 people) since 2001. The Asian ethnic group increased 48.9 percent between censuses, increasing from 238,176 people in 2001, to reach 354,552 in 2006. Those identifying with the Pacific ethnic group increased 14.7 percent from the 2001 Census, to 265,974 people in 2006. The Korean, Iraqi, and South African ethnic groups also made significant population gains between 2001 and 2006.

In the 2006 Census, 10.4 percent of New Zealand's population identified with more than one ethnic group. In 2001 this figure was 9.0 percent. The 2006 Census results showed that young people were far more likely to list multiple ethnicities. Of people aged under 15 years, 19.7 percent identified with more than one ethnic group, compared with 3.5 percent of those aged 65 years and over.

Ethnicity definition

The census has collected race or ethnicity information about the New Zealand population for most of its census-taking history. The Statistics Act 1975 mandated a statutory question about ethnicity on the personal or individual form for each census.

The following definition is used by Statistics New Zealand to measure ethnicity:

Ethnicity is the ethnic group, or groups, that people identify with, or feel they belong to.

It is a measure of cultural affiliation, as opposed to race, ancestry, nationality, or citizenship. Ethnicity is self-perceived and people can belong to more than one ethnic group. An ethnic group is made up of people who have some or all of the following characteristics:

- a common proper name
- one or more elements of common culture, which need not be specified but may include religion, customs, or language
- unique community of interests, feelings, and actions
- a shared sense of common origins or ancestry
- a common geographic origin.

Ethnicity is identified by the person themselves whenever possible. Ethnicity identification can change over time because of personal reasons and external circumstances. It may also change in the context of where, how, and when it is collected.

Source: Statistics New Zealand

Table 6.01 shows changes in the ethnic make-up of the New Zealand population between the 2001 and 2006 Censuses. Table 6.02 compares the age structure of New Zealand's major ethnic groups.

Table 6.01

Ethnic group (total people)	2001 Census		2006 Census		Change between censuses (2001–06) Percent
	Number of people	Percentage ⁽¹⁾	Number of people	Percentage ⁽¹⁾	
European	2,871,432	80.1	2,609,592	67.6	-9.1
Māori	526,281	14.7	565,329	14.6	7.4
Pacific peoples	231,798	6.5	265,974	6.9	14.7
Asian	238,179	6.6	354,552	9.2	48.9
Middle Eastern/Latin American/African ⁽²⁾	24,084	0.7	34,746	0.9	44.3
Other ethnicity					
New Zealander	...	...	429,429	11.1	...
Other 'Other' ethnicity	801	--	1,494	--	86.5
Not elsewhere included ⁽³⁾	150,636	...	167,784	...	
Total New Zealand resident population	3,737,277	100.0	4,027,947	100.0	7.8
Selected ethnic groups (total responses)					
New Zealand European	2,696,724	75.2	2,381,076	61.7	-11.7
Māori	526,281	14.7	565,329	14.6	7.4
Samoan	115,017	3.2	131,103	3.4	14.0
Chinese	105,057	2.9	147,570	3.8	40.5
Indian	62,187	1.7	104,583	2.7	68.2
Cook Island Maori	52,569	1.5	58,011	1.5	10.4
Tongan	40,716	1.1	50,481	1.3	24.0
British and Irish					
British not further defined	16,572	0.5	27,189	0.7	64.1
English	35,082	1.0	44,202	1.1	26.0
Scottish	13,785	0.4	15,039	0.4	9.1
Irish	11,706	0.3	12,648	0.3	8.0
Welsh	3,411	0.1	3,771	0.1	10.6
Other British and Irish	1,917	0.1	1,977	0.1	3.1
Total British and Irish	77,523	2.2	100,668	2.6	29.9
Dutch	27,507	0.8	28,641	0.7	4.1
Niuean	20,148	0.6	22,473	0.6	11.5
Korean	19,026	0.5	30,792	0.8	61.8
South African	14,913	0.4	22,893	0.6	53.5
Filipino	11,091	0.3	16,938	0.4	52.7
Japanese	10,023	0.3	11,910	0.3	18.8
Fijian	7,041	0.2	9,861	0.3	40.1
Tokelauan	6,204	0.2	6,819	0.2	9.9
Sri Lankan	7,014	0.2	8,310	0.2	18.5
Arab	2,856	0.1	2,607	0.1	-8.7
Iraqi	2,145	0.1	3,222	0.1	50.2

(1) The percentage of the population that specified an ethnicity. (2) Middle Eastern, Latin American, and African was introduced as a new category for the 2006 Census. Previously Middle Eastern, Latin American, and African responses were allocated to the Other category. (3) Includes response unidentifiable, response outside scope, and not stated.

Note: The number of responses is greater than the total population, as multiple responses are counted. This data has been randomly rounded to protect confidentiality. Individual figures may not add up to stated totals, and values for the same data may vary in different tables.

Symbols: ... not applicable -- figure too small to be expressed

Source: Statistics New Zealand

Table 6.02

Age group (years)	Major ethnic groups (total responses)					
	European	Māori	Pacific peoples	Asian	MELAA ⁽¹⁾	Other ethnicity ⁽²⁾
	By age group					
	2006 Census					
	Percentage of population					
0–4	6.6	11.7	13.1	6.7	9.7	6.1
5–14	14.0	23.6	24.6	15.0	17.8	12.9
15–24	13.1	17.9	18.2	21.9	19.6	9.5
25–34	11.9	13.7	13.9	17.0	18.9	12.7
35–44	14.7	13.4	12.8	16.9	17.0	17.4
45–54	13.6	9.9	8.5	12.1	10.0	17.2
55–64	11.0	5.6	5.0	5.9	4.2	13.7
65–74	7.6	2.9	2.6	3.3	1.8	6.9
75–84	5.6	1.0	1.0	1.0	0.8	2.8
85+	1.9	0.2	0.2	0.2	0.2	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

(1) Middle Eastern, Latin American, and African. (2) Includes 'New Zealander' responses.

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Country of birth

The increasing diversity of New Zealand's population is reflected in the number of people born overseas. In 2006, of the people who usually live in New Zealand, 77.1 percent were born there, down from 80.5 percent in 2001 (see table 6.03).

Between 2001 and 2006, New Zealand's overseas-born population rose by 180,915 people, a 25.9 percent increase. Much of this increase occurred in Auckland – in 2006, over one-third (37.0 percent) of Auckland's population was born overseas, and over half (51.8 percent) of the entire overseas-born population of New Zealand lives in Auckland.

Areas that overseas-born people came from are changing. In 2001, almost one-third (32.2 percent) were born in the United Kingdom and Ireland – historically New Zealand's most significant source of migrants – but by 2006 the proportion had decreased to 28.6 percent. In contrast, the proportion of people born in Asia increased from 23.7 percent in 2001 to 28.6 percent in 2006, and for the first time equalled the proportion born in the United Kingdom and Ireland. A 100.6 percent increase in the number of people born in the People's Republic of China – from 38,949 people in 2001 to 78,117 in 2006 – was the main contributor to the increase.

The Indian-born population more than doubled, from 20,889 in 2001 to 43,341 in 2006, an increase of 107.5 percent. The number born in the Republic of Korea increased 60.6 percent, to 28,806. Another significant increase was in the South African-born population, which rose from 26,061 in 2001 to 41,676 in 2006, a 59.9 percent increase.

Significant proportions of New Zealand's immigrant population are relatively recent arrivals in the country. In 2006, almost one-third (32.3 percent) of overseas-born residents had lived there less than five years, while a further 17.0 percent had lived there between five and nine years.

Table 6.03

Country of birth	Country of birth ⁽¹⁾⁽²⁾				Change between censuses (2001–06) Percent
	2001 Census		2006 Census		
	Number of people	Percentage ⁽³⁾	Number of people	Percentage ⁽³⁾	
New Zealand	2,890,869	80.5	2,960,217	77.1	2.4
Australia ⁽³⁾	56,259	1.6	62,742	1.6	11.5
Samoa	47,118	1.3	50,649	1.3	7.5
Fiji	25,722	0.7	37,749	1.0	46.8
Tonga	18,051	0.5	20,520	0.5	13.7
Cook Islands	15,222	0.4	14,697	0.4	-3.4
Other Oceania and Antarctica	11,877	0.3	12,246	0.3	3.1
Total Oceania and Antarctica	3,065,121	85.4	3,158,814	82.3	3.1
United Kingdom and Ireland	225,123	6.3	251,688	6.6	11.8
Netherlands	22,242	0.6	22,101	0.6	-0.6
Germany	8,382	0.2	10,761	0.3	28.4
Other Europe ⁽⁴⁾	28,923	0.8	35,205	0.9	21.7
Total Europe	284,670	7.9	319,755	8.3	12.3
Iraq	4,848	0.1	6,024	0.2	24.3
Iran	1,980	0.1	2,793	0.1	41.1
Egypt	1,179	--	1,344	--	14.0
Other North Africa and Middle East	4,164	0.1	6,372	0.2	53.0
Total North Africa and Middle East	12,174	0.3	16,533	0.4	35.8
Malaysia	11,460	0.3	14,547	0.4	26.9
Philippines	10,137	0.3	15,282	0.4	50.8
Other South-east Asia	23,595	0.7	28,437	0.7	20.5
China	38,949	1.1	78,117	2.0	100.6
Korea, Republic of	17,934	0.5	28,806	0.8	60.6
Taiwan	12,486	0.3	10,764	0.3	-13.8
Hong Kong	11,301	0.3	7,683	0.2	-32.0
Japan	8,622	0.2	9,573	0.2	11.0
India	20,889	0.6	43,341	1.1	107.5
Other North-east, Southern, and Central Asia	10,401	0.3	14,583	0.4	40.2
Total Asia	165,774	4.6	251,133	6.5	51.5
North America	21,114	0.6	26,742	0.7	26.7
Central and South America	4,395	0.1	7,638	0.2	73.8
Total Americas	25,509	0.7	34,380	0.9	34.8
South Africa	26,061	0.7	41,676	1.1	59.9
Other sub-Saharan Africa	10,152	0.3	17,442	0.5	71.8
Total Africa	36,213	1.0	59,118	1.5	63.3
Not specified/born at sea	147,816	...	188,211	...	27.3
Total	3,737,277	...	4,027,947	...	7.8

(1) All figures are for the census usually resident population, and calculations are made based on the number of people who specified a country of birth. (2) Categories in this table are for major groups and selected categories, where the total number of responses exceeded 1,000. All remaining categories have been grouped as 'Other...'. (3) Includes Australian external territories. (4) The data includes counts of people who reported being born in Yugoslavia.

Note: This data has been randomly rounded to protect confidentiality. All totals are randomly rounded to base 3. Individual figures may not add up to stated totals, and values for the same data may vary in different tables.

Symbols: ... not applicable -- figure too small to be expressed

Source: Statistics New Zealand

Te Ngira: New Zealand Diversity Action Programme

The New Zealand Diversity Action Programme brings together over 200 organisations that are taking practical initiatives to recognise and celebrate New Zealand's diversity, promote racial equality, and foster harmonious race relations.

In 2009, the programme celebrated its fifth anniversary.

The programme originated after Jewish gravestones in two Wellington cemeteries were vandalised in 2004, which had prompted widespread concern and condemnation around New Zealand. Parliament unanimously passed a resolution deploring anti-Semitism and all forms of racism. A statement of support was tabled in Parliament from a wide range of community representatives.

In response to a 'call to action' by writers James and Helen McNeish, people rallied in Parliament's grounds and attended a forum convened by Parliament's speaker and the race relations commissioner to discuss positive action to promote racial harmony. That forum adopted a programme to strengthen cultural diversity, which became the basis for the New Zealand Diversity Action Programme.

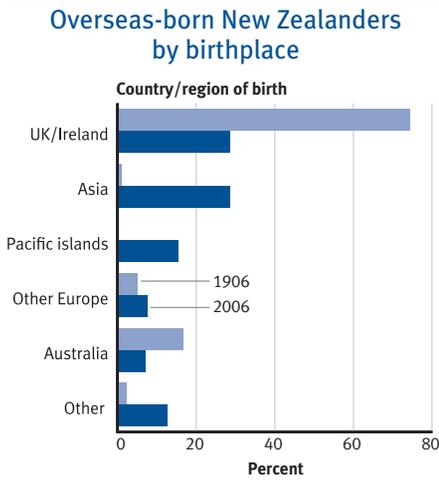
The Human Rights Commission facilitates the programme. It works in partnership with central and local government, and community groups, to develop programmes and projects that contribute to a diverse, equal, and harmonious Aotearoa New Zealand.

Any programme or project can be registered. Examples include:

- participation in events (eg Waitangi Day, Chinese New Year, Race Relations Day, Matariki, Refugee Day, Māori Language Week, Diwali, and other national and cultural days) either within the organisation or the community
- festivals, exhibitions, cultural performances, and celebrations
- promotion of diversity in the workplace and catering for the diverse needs of clients and customers
- development of policies, programmes, and strategies for diversity, equality, and harmony
- community consultation and participation
- assisting with settlement of new migrants and refugees
- educational programmes, research, and publications
- development and capacity building for diverse communities, including maintaining cultures, languages, and community well-being
- workshops, conferences, and forums on issues relating to diversity, human rights, and harmonious relations
- intercultural and interfaith dialogue and cooperation.

Source: Human Rights Commission

Figure 6.01



Note: Figures may not add up to 100 due to rounding.

Source: Statistics New Zealand

Image removed due to copyright issues

The Aucklander

Dr Mohammed Shorab and Shafiq Ur Rehman with a copy of the Koran that has been translated into Māori. It is not a literal translation but reflects the spirit of the original message for Muslims.

Religious affiliation

Results from the 2006 Census showed that New Zealand is increasingly becoming more secular, with 34.6 percent of the people who responded to the religious affiliation question indicating that they had 'no religion', compared with 29.6 percent in the 2001 Census. This continues a steady trend from the last three censuses.

Christianity (including Māori Christian) remained the dominant religion, with over 2 million people, or 55.6 percent of those who answered the religious affiliation question. In comparison, 60.6 percent of people affiliated with Christianity in the 2001 Census.

The five largest Christian denominations in 2001 remained the largest in 2006, with some denominations increasing and some decreasing. Compared with 2001, Anglican affiliation decreased 5.1 percent; Catholic increased 4.7 percent; Presbyterian, Congregational, and

Table 6.04

Religious affiliation (total responses)		
Religious affiliation	2001 Census	2006 Census
Anglican	584,793	554,925
Catholic	486,012	508,437
Presbyterian, Congregational, and Reformed	431,547	400,839
Christian (not further defined)	192,165	186,234
Methodist	120,705	121,806
Pentecostal	67,239	79,155
Māori Christian	63,597	65,550
Hindu	39,798	64,392
Baptist	51,426	56,913
Buddhist	41,634	52,362
Latter-day Saints	39,912	43,539
Islam/Muslim	23,631	36,072
Spiritualism and New Age	16,062	19,800
Brethren	20,406	19,617
Jehovah's Witness	17,826	17,910
Adventist	14,868	16,191
Evangelical, Born Again, and Fundamentalist	11,019	13,836
Orthodox	9,588	13,194
Salvation Army	12,618	11,493
Judaism/Jewish	6,636	6,858
Lutheran	4,314	4,476
Protestant (not further defined)	2,784	3,954
Other Christian	3,558	3,798
Church of Christ and Associated Churches of Christ	3,270	2,988
Uniting/Union Church and Ecumenical	1,389	1,419
Asian Christian	195	195
Other	18,783	24,450
No religion	1,028,052	1,297,104
Object to answering	239,244	242,609
Total people⁽¹⁾	3,468,813	3,743,655

(1) Total people who specified at least one religious affiliation or objected to answering the question.

Note: All totals randomly rounded to base 3.

Source: Statistics New Zealand

Reformed affiliations decreased 7.0 percent; Christian not further defined decreased 3.1 percent; and Methodist increased 1.0 percent.

Between 2001 and 2006, some smaller Christian denominations had larger increases in affiliation. Most significantly, in 2006 the number of people affiliating with Orthodox Christian religions increased 37.8 percent; Evangelical, Born Again, and Fundamentalist affiliation increased 25.6 percent; and affiliation with Pentecostal religions increased 17.8 percent. Of the people of Māori ethnicity who answered the religious affiliation question, 11.1 percent identified with a Māori Christian religion, such as Rātana or Ringatū.

The three most common non-Christian religions in 2006 were the Hindu, Buddhist, and Islam/Muslim religions, which made up 1.7 percent, 1.4 percent, and 1.0 percent of total responses, respectively. There were also more than 90 religious groups that together made up less than 1 percent of the population. Those who objected to answering the religious affiliation question decreased from 6.9 percent in 2001 to 6.5 percent in 2006.

Changes to the question on religious affiliation from 2001 onwards mean direct comparisons cannot be made with censuses before 2001. Previous censuses collected only one response for religious affiliation, whereas in 2001 and 2006, people were able to give up to four responses.

Citizenship

New Zealand's citizenship legislation is contained in the Citizenship Act 1977, the Citizenship (Western Samoa) Act 1982, and Citizenship Regulations 2002. All citizenship legislation and policy is administered by the Department of Internal Affairs. The principal legislation – the 1977 Act – includes the Cook Islands, Niue, Tokelau, and the Ross Dependency in the definition of New Zealand for the purposes of New Zealand citizenship.

Under the Act, a person may be a New Zealand citizen by birth in New Zealand, or by grant, or by descent from a parent who is a New Zealand citizen (but not by descent). British subjects resident in New Zealand throughout 1948 may also apply for confirmation of citizenship.

Citizenship by birth Most people born in New Zealand after 1 January 1949 are New Zealand citizens by birth. From 1 January 2006, children born in New Zealand (or in the Cook Islands, Niue, or Tokelau) can acquire New Zealand citizenship at birth only if at least one of their parents is either a New Zealand citizen or entitled to be in New Zealand (or in the Cook Islands, Niue, or Tokelau) permanently. This entitlement generally includes Australian citizens, and persons entitled to be in Australia permanently. A child born in New Zealand is a New Zealand citizen by birth if they would otherwise be stateless.

Citizenship by descent Most people born outside New Zealand after 1 January 1949 to a parent who is a New Zealand citizen (provided that parent is not themselves a citizen by descent) have a claim to citizenship by descent (although there are some limitations on this).

Grant of citizenship Migrants to New Zealand who wish to make New Zealand their home may apply for a grant of citizenship. They must be 16 years or older, of full capacity, and must submit an application form and fee. Applicants must satisfy the Minister of Internal Affairs that they:

- are entitled to remain in New Zealand permanently (most applicants are required to have permanent residence status)
- have been present in New Zealand as a permanent resident for most of the five years immediately preceding their application
- are of good character and have not been convicted of certain criminal offences
- have sufficient knowledge of the English language, and of the responsibilities and privileges attached to New Zealand citizenship
- intend, if granted citizenship, to continue to reside in New Zealand, or to work overseas in Crown service or for a New Zealand-resident or established organisation.

The Citizenship Act 1977 contains special provisions for those whose parents are citizens by descent, for minors, for those who would otherwise be stateless, and for people with special circumstances. New Zealand's citizenship legislation also contains provisions for those adopted by New Zealand citizens, both in New Zealand and overseas.

The Citizenship (Western Samoa) Act 1982 provides for granting of citizenship to Samoan citizens. To be granted citizenship under this Act, a person must be able to prove that they either were in New Zealand at any time on 14 September 1982 (the day before the commencement of this Act); or have lawfully entered New Zealand after that date, and have an entitlement to remain in New Zealand permanently (most applicants will be required to have permanent residence status).

Most applicants aged 14 years and over who are approved for citizenship are required to attend a citizenship ceremony to swear allegiance to New Zealand and Queen Elizabeth II as Head of State. After this, the grant of citizenship is complete and a citizenship certificate is provided.

New Zealand citizens may be deprived of their citizenship if they act in a manner contrary to the interests of New Zealand, or if citizenship was obtained by fraud, false representation, or wilful

Signing is official

While most New Zealanders are aware that English and Māori are 'official' languages of their country, fewer are aware that there is a third. In April 2006, New Zealand Sign Language (NZSL) became the country's third official language with the New Zealand Sign Language Act 2006 becoming law.

Official recognition in its home country has provided NZSL with equality of status with other languages spoken in New Zealand.

According to the 2006 Census, 24,090 people were able to converse in NZSL. Of these people, 2,200 indicated that NZSL was their only language.

The Act has three main purposes:

- To promote and maintain the use of NZSL by declaring it to be an official language of New Zealand.
- To provide for the use of NZSL in legal proceedings, such as in court and tribunals.
- To enable the making of regulations to set competency standards for interpretation in legal proceedings – that is, it provides for suitably qualified NZSL interpreters to interpret in court.

The Act sets out principles to guide government departments in the use of NZSL.

NZSL is now used routinely in the courts. Also, government agencies are increasingly providing information via 'signed' video clips on their websites and NZSL is being used in official conversation. However, a chronic shortage of suitably qualified and competent interpreters hampers further progress.

New Zealand Sign Language in the New Zealand Curriculum was released by the Ministry of Education in March 2007. This initiative created an opportunity for all school students to learn NZSL.

The New Zealand Sign Language Act is scheduled for review in late 2010. This review should provide a more comprehensive picture of the impact of the Act.

NZSL has been developed and used in New Zealand's deaf community over the past century, although it was prohibited in the education of deaf children until 1979. The first dictionaries of NZSL were published in 1985 and 1997.

While closely related to British and Australian sign languages, the grammar and vocabulary of NZSL are distinct from spoken language. Signers combine manual signs, facial expressions, and lip patterns, and can express anything they want to say. NZSL includes everyday Māori concepts such as marae and tangi, and has signs for local place names that are sometimes based on distinctive features, such as Rotorua – mudpools, and Auckland – sky tower.

Source: Office for Disability Issues

Looking back and forward at New Zealand citizenship

Image removed due to copyright issues

Otago Daily Times

New citizen Jarrad Booyens (left) and citizenship officer Andrew Abbott cut a cake to celebrate 60 years of New Zealand citizenship in 2009.

The 60th anniversary of New Zealand citizenship was marked in 2009. Before 1949, there were no New Zealand citizens – between 1840 and 1948 people born in New Zealand were British subjects (this means that no-one served in either World War I or II as a New Zealand citizen).

The creation of New Zealand citizenship was an important step towards independence as a nation. On 1 January 1949, the British Nationality and New Zealand Citizenship Act 1948 came into force. Most people living in New Zealand, the Cook Islands, Niue, and Tokelau on that day automatically became New Zealand citizens (while retaining British subject status).

Citizenship is traditionally seen as the formal status that links individuals to the state, and the rights and duties associated with this, but citizenship has other aspects. It can be a unifying force in the community because it is a shared bond that accommodates differences in religion, ethnicity, and cultural background.

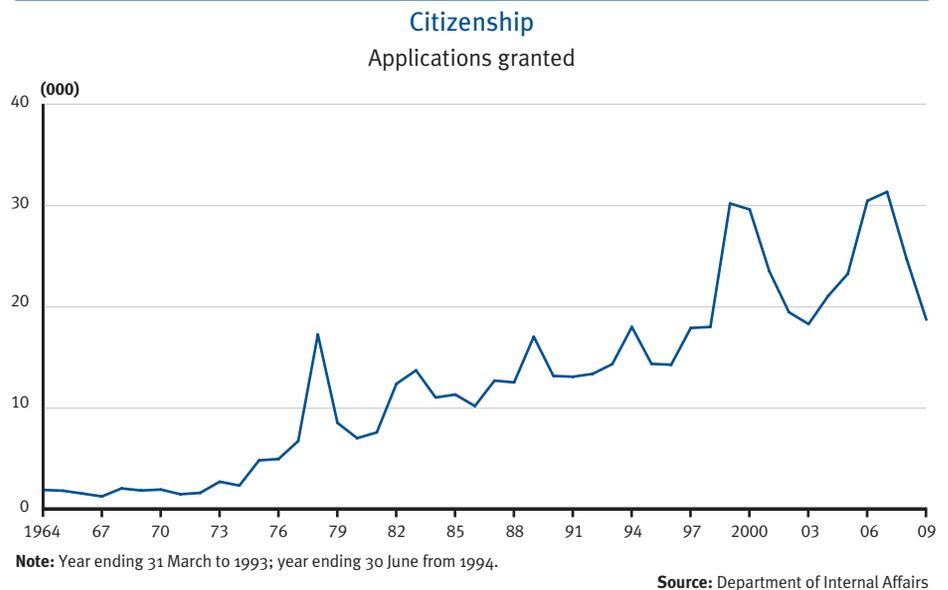
New Zealand citizenship status links the people of New Zealand and those of the Cook Islands, Niue, and Tokelau. For many migrants the desire to obtain New Zealand citizenship stems from a sense of belonging to New Zealand. This unifying aspect of citizenship is likely to become more important as the population becomes increasingly diverse.

The Department of Internal Affairs, which administers the Citizenship Act 1977, used the 60th anniversary of New Zealand citizenship to begin a long-term programme to raise public and, in particular, young people's, awareness of citizenship and its importance. One initiative is the citizenship education website for primary and secondary school teachers and students (www.education.citizenship.govt.nz).

Source: Department of Internal Affairs

concealment of relevant information. A citizen cannot be deprived of citizenship if citizenship was acquired by mistake and if depriving them would leave them stateless. New Zealand citizens may choose to renounce citizenship if they hold citizenship of another country.

Figure 6.02



Immigration

Immigration legislation and policy are administered by Immigration New Zealand (INZ), part of the Department of Labour Te Tari Mahi.

The role of INZ is to increase the economic capacity of New Zealand through immigration, and to position New Zealand as an international country with immigration-related interests and obligations. INZ has branches overseas and throughout New Zealand.

The Ministry of Foreign Affairs and Trade processes applications for temporary entry to New Zealand on behalf of INZ in some countries where INZ is not represented.

Residence

People who want to migrate permanently to New Zealand can apply under one of the three streams of the New Zealand residence programme: skilled/business, family sponsored, or international/humanitarian. Each stream has a number of categories. For 2008/09, the New Zealand Residence Programme's (NZRP) approval target was between 45,000 and 50,000 people.

In 2008/09, 46,097 people were granted permanent residence in New Zealand: 62 percent (28,547 people) through the skilled/business stream; 30 percent (14,046 people) through the uncapped family-sponsored, and parent, adult child, and adult sibling streams; and 8 percent (3,504 people) through the international/humanitarian stream.

Residence applications are considered on the basis of whether principal applicants meet police criteria set by the government. Principal applicants may include their partners and dependent children in their application. All applicants must meet health and character requirements, and all migrants over the age of 16 years in the skilled migrant category, and most business categories, must meet a minimum standard of English. This standard can be satisfied by either meeting the specified score in the International English Language Testing System (IELTS), or by showing other evidence of English language ability. Skilled migrants must have an average of 6.5 on the IELTS scale across the four skill areas (speaking, writing, listening, and reading). For business migrants the requirements vary, depending on which category they apply under. Non-principal applicants who do not meet the standard may still be granted residence, provided they purchase, in advance, English language tuition to be taken up once they arrive in New Zealand.

Skilled/business residence stream

The skilled/business residence stream consists of the skilled migrant and work-to-residence categories, and the business immigration policy. This policy includes investor migrants, entrepreneurs, and employees of businesses relocating to New Zealand. In 2008/09, 28,547 people were approved for residence through the skilled/business stream. This represented 62 percent of all NZRP approvals. Of these people, 27,011 were approved through the skilled migrant category, 1,097 through the residence-from-work category, and 413 through the business immigration policy.

Table 6.05

Citizenship approvals

By country of birth
Year ending 31 December

Country of birth ^(a)	2008	2009	Country of birth ^(a)	2008	2009	Country of birth ^(a)	2008	2009
Aden	2	0	Guatemala	0	2	Peru	10	9
Afghanistan	383	114	Guyana	7	0	Philippines	653	810
Albania	7	3	Honduras	1	0	Poland	37	24
Algeria	8	4	Hong Kong	114	87	Portugal	5	3
American Samoa	28	40	Hungary	17	25	Puerto Rico	2	1
Angola	0	2	Iceland	0	4	Qatar	5	3
Argentina	39	15	India	2,852	2,274	Republic of Ireland	17	3
Aruba	0	1	Indonesia	155	161	Rhodesia	14	8
Australia	133	127	Iran	151	97	Rhodesia and Nyasaland	2	1
Austria	5	7	Iraq	206	129	Romania	91	46
Azerbaijan	1	2	Ireland	59	31	Russia	153	129
Bahamas	5	0	Isle of Man	5	5	Rwanda	5	3
Bahrain	2	2	Israel	34	17	Samoa	1,302	1,523
Bangladesh	76	37	Italy	17	15	Sarawak	0	1
Barbados	1	1	Ivory Coast	1	0	Saudi Arabia	26	25
Belarus	5	5	Jamaica	4	1	Scotland	259	247
Belgium	22	17	Japan	29	42	Serbia	18	17
Belize	1	0	Jordan	13	5	Seychelles	2	1
Bermuda	2	4	Kazakhstan	15	11	Sierra Leone	1	1
Bhutan	1	0	Kenya	74	53	Singapore	58	86
Bolivia	7	3	Kiribati	7	19	Slovakia	5	5
Bosnia-Herzegovina	5	5	Korea	838	555	Slovenia	2	2
Botswana	7	6	Kosovo	1	6	Solomon Islands	6	5
Brazil	48	34	Kuwait	20	17	Somalia	179	117
British Virgin Islands	1	0	Kyrgyzstan	0	1	South Africa	2,228	1,737
Brunei	9	5	Laos	8	3	South Vietnam	1	1
Bulgaria	29	23	Latvia	3	1	South West Africa	2	3
Burkina Faso	1	0	Lebanon	8	4	Southern Rhodesia	35	18
Burma	4	3	Lesotho	1	1	Spain	5	6
Burundi	7	12	Liberia	2	1	Sri Lanka	351	288
Cambodia	261	150	Libya	4	3	Sudan	54	43
Canada	115	109	Lithuania	2	5	Swaziland	3	1
Cayman Islands	1	0	Luxembourg	1	1	Sweden	31	29
Ceylon	1	0	Macao	0	2	Switzerland	28	36
Channel Islands	19	14	Macau	2	5	Syria	15	12
Chile	29	12	Macedonia	35	11	Tahiti	1	5
China	1,644	1,064	Malawi	7	1	Taiwan	277	259
Colombia	14	21	Malaya	1	3	Tajikistan	0	2
Congo	4	2	Malaysia	392	449	Tanganyika	2	0
Costa Rica	0	1	Maldives	5	6	Tanzania	5	8
Cote d'Ivoire	1	0	Malta	1	6	Thailand	144	158
Croatia	17	18	Marshall Islands	0	1	The Netherlands	138	138
Cuba	2	0	Mauritius	13	7	Tibet	1	0
Cyprus	8	8	Mexico	19	9	Togo	2	0
Czech Republic	8	18	Moldova	6	1	Tonga	248	355
Czechoslovakia	1	2	Mongolia	3	2	Trinidad and Tobago	5	5
Democratic Republic of the Congo	2	3	Montenegro	0	5	Turkey	27	10
Denmark	5	5	Morocco	14	2	Tuvalu	15	13
Djibouti	12	8	Mozambique	5	3	USA	344	298
Dutch East Indies	1	0	Myanmar	18	13	Uganda	7	5
Ecuador	2	0	Namibia	15	18	Ukraine	32	35
Egypt	34	24	Nauru	0	10	United Arab Emirates	65	40
El Salvador	0	1	Nepal	21	24	Uruguay	4	1
England	2,887	2,515	Netherlands Antilles	1	3	USSR	26	15
Eritrea	22	4	New Caledonia	1	4	Uzbekistan	6	9
Estonia	1	2	New Zealand	1	9	Vanuatu	2	4
Ethiopia	99	93	Nigeria	25	21	Venezuela	3	2
Falkland Islands	0	1	Norfolk Island	0	1	Viet Nam	129	158
Fiji	1,687	1,516	Northern Ireland	47	51	Wales	127	81
Finland	10	9	Northern Mariana Islands	3	1	West Germany	0	1
France	24	32	Northern Rhodesia	6	3	Western Samoa	147	155
French Guiana	0	1	Norway	1	1	Yemen	7	1
French Polynesia	2	5	Oman	15	11	Yugoslavia	16	19
Georgia	0	7	Pakistan	128	88	Zaire	1	0
Germany	108	113	Palestine	2	0	Zambia	59	46
Ghana	10	13	Palestinian Administered Area	2	0	Zimbabwe	538	292
Gibraltar	1	2	Panama	0	1			
Greece	7	5	Panama Canal Zone	0	1			
Guadeloupe	0	1	Papua New Guinea	9	12			
						Total	21,308	17,971

(a) Countries are shown as stated on individuals' applications. This results in duplication of some countries, which may be listed by both their current and former names.

Source: Department of Internal Affairs

Skilled migrant The skilled migrant category focuses on the active recruitment of applicants with the skills that New Zealand needs.

Potential migrants submit expressions of interest, and information from this is used to score points for a number of employability and capacity-building factors. They must meet a pre-set number of points in order to enter a pool of potential residence applicants. They are then invited to apply for residence, based on their ranking in the residence pool and other point factors, and subject to them meeting health, character, English language, and initial verification requirements.

Principal applicants invited to apply must be no older than 55 years. Applications for residence are assessed against government residence policy, and the applicant's ability to settle and contribute to New Zealand.

A person who can demonstrate their ability to settle in New Zealand successfully – by having skilled employment, an offer of skilled employment in New Zealand, or a New Zealand postgraduate qualification – may qualify for residence. A person who has potential to settle successfully but does not have these attributes will be interviewed to gather more information. Either a residence or a work-to-residence visa or permit may be issued to these people.

Work to residence This category provides a pathway to residence for holders of permits granted under three specific work policies – talent (accredited employers); talent (arts, culture, and sports); and the long-term skill shortage list.

Migrant investor policy This policy came into effect in July 2009, replacing the 2007 active investor migrant category. It has two subcategories:

- **Investor** – under this subcategory, points for age, business experience, English language, and lawfully earned or acquired investment funds may be claimed. Applicants first lodge an expression of interest to enter a pool from which they may be invited to apply for residence. A number of policy requirements must be met – including the principal applicant being no older than 65 years, having a minimum of three years' business experience, having settlement funds of NZ\$1 million, and investing a minimum of NZ\$1.5 million in New Zealand for four years. The IELTS standard for the English language requirement is an overall band score of three or more.
- **Investor plus** – this subcategory has the same lawfully earned or acquired investment funds requirements as the investor subcategory. Investor plus applicants must invest a minimum of NZ\$10 million in New Zealand for three years. There are no age, business experience, or English language requirements.

Entrepreneur People who have successfully established a business that benefits New Zealand – and have been self-employed in New Zealand in that business for at least two years – can be granted residence under the entrepreneur category. Successful establishment means the applicant has established, purchased, or made a substantial investment in a profit-making business operating in New Zealand. The business must also benefit New Zealand, and may meet this criterion if it creates employment, revitalises an existing business, enhances New Zealand's export markets, or introduces new skills or technologies to New Zealand.

Employees of businesses relocating to New Zealand This category is available on a case-by-case basis to essential employees of businesses relocating to New Zealand who do not qualify for residence under any other category.

Family-sponsored residence stream

In 2008/09, 14,046 people were approved for residence through the uncapped family-sponsored and parent, adult child, and adult sibling streams (30 percent of all NZRP approvals). The family-sponsored stream allows migrants in a variety of close relationships with New Zealand citizens or residents to be sponsored for residence. In general, sponsors must have held New Zealand residence for at least three years immediately before sponsorship, and must sign a declaration that they will provide accommodation and financial support for the first two years of the migrant's residence in New Zealand. Sponsors of parents must meet a minimum income requirement. Financially-dependent children under the age of 25 may also be sponsored. Adult children and siblings who have no parents or siblings in their home country are eligible to be sponsored for residence, along with their dependants, providing they have a job offer in New Zealand, and meet a minimum income requirement.

Partnership policy To qualify for residence under the partnership policy, applicants have to prove they have been living in a genuine and stable partnership with a New Zealander for 12 months or more at the time of application, whether or not they are in a marriage, civil union, or de facto relationship (whether opposite or same sex).

International/humanitarian residence stream

The international/humanitarian residence stream includes the refugee quota and other refugee-linked categories, such as residence for recognised refugee claimants and the refugee family support category. Other categories are: the Pacific access category, the Samoan quota scheme, ministerial exceptions to policy, a category for victims of domestic violence, and various miscellaneous categories.

Image removed due to copyright issues

The Aucklander

Brook Shiferaw (front) and friends from Nileflow, an online network for young Africans in New Zealand. Nileflow explores African-New Zealand identity and culture, and creates opportunities for young people through this contact. Brook is a former refugee from Ethiopia and like other Nileflow members now calls New Zealand home. (See www.nileflow.com.)

Refugees New Zealand is committed to working with the international community to help resolve refugee problems. Immigration New Zealand (INZ) manages the refugee quota, which allows up to 750 refugees to settle in New Zealand each year. The quota has a number of categories, including women at risk, medical/disabled, protection, and emergency. In 2008/09, 757 people were granted residence through the refugee quota. Myanmar, Bhutan, and Iraq were the largest source countries of quota approvals.

All quota refugees attend a six-week orientation programme at INZ's Mangere Refugee Resettlement Centre. INZ locates and maintains sponsors who assist refugees to settle in the community following their induction. Refugees accepted under the quota are granted residence permits on arrival in New Zealand. This means they are entitled to live in New Zealand permanently, and to enjoy the rights of New Zealand residents in areas such as education, health, employment, and social welfare.

New Zealand also considers claims for refugee status from people who arrive in New Zealand seeking asylum. Claims are assessed under the 1951 United Nations Convention and 1967 Protocols relating to the status of refugees.

The refugee status branch of INZ assesses claims in the first instance. In 2008/09, 72 people successfully claimed for refugee status as convention refugees. The number of refugee status claims in New Zealand has reduced substantially in recent years. If a claim is declined, the claimant may appeal to the Refugee Status Appeals Authority.

Pacific access The Pacific access category enables up to 250 people from Tonga, 75 from Tuvalu, and 75 from Kiribati to be granted residence each year. Applicants must be citizens of their country, meet English language, health, and character requirements, and have an offer of employment in New Zealand.

Samoan quota Up to 1,100 Samoan citizens may be granted residence in New Zealand each year under the Samoan quota scheme. English language, health, and character requirements must be met, and the principal applicant must have an offer of employment in New Zealand.

Domestic violence policy The domestic violence policy enables ex-partners of New Zealand citizens or residents to apply for residence when their relationship has ended as a result of domestic violence and they are unable to return to their home country, for cultural or social reasons, and would not have (or be able to get) independent support (eg financial) in their home country.

Sources of migration

In 2008/09, the largest source countries for permanent residence approvals were the United Kingdom (19 percent), China (15 percent), and South Africa (12 percent).

Temporary entry

All travellers arriving in New Zealand, including New Zealand citizens, must produce a valid passport or another form of recognised travel document.

Language Line

New migrants with little or no English can find it challenging to deal with government agencies. Yet being able to do this is important for settling into New Zealand society. Language Line is a telephone interpreting service run by the Office of Ethnic Affairs that eases this interaction.

Language Line allows clients of more than 60 agencies, including government ministries and health-care providers, to access free interpreting in 40 different languages – from Amharic to Vietnamese.

Anyone wanting an interpreter can visit or call a participating agency. An interpreter is quickly available on the telephone, allowing the official and client to communicate efficiently and with confidentiality. Language Line also offers the opportunity to choose the gender of the interpreter.

Over 185,000 interpreting requests have been made since Language Line first began in April 2003, with clients using it for tasks such as arranging an appointment or registering a birth.

During 2009, the Language Line team ran well-attended workshops throughout New Zealand to promote Language Line – to officials and ethnically diverse communities – and make people more aware of how to use the service.

More information is available online (www.languageline.govt.nz).

The Office of Ethnic Affairs Te Tari Matawaka (OEA) was established in 2001 as part of the Department of Internal Affairs. It is responsible for providing policy advice, information, and liaison services to the Minister for Ethnic Affairs, and information and referral services to the public.

The OEA works with refugees, migrants, and their New Zealand-born descendants from smaller ethnic communities (those who do not identify with Anglo-Saxon, Celtic, Māori, or Pacific ethnicities). The office monitors issues affecting these communities, and develops or contributes to policies and initiatives that affect them.

Source: Office of Ethnic Affairs

With the exception of New Zealand citizens (including people born in the Cook Islands, Niue, and Tokelau), Australian citizens, and a small number of people exempt under the Immigration Act 1987, everyone entering New Zealand is required to obtain a permit to remain in New Zealand. The main categories for temporary permits are outlined below.

Visitors People may enter New Zealand as visitors if they are tourists, visiting friends or relatives, studying one course of less than three months duration, playing sport or performing in cultural events without pay, or making short business trips. Visitors to New Zealand are generally limited to a maximum stay on a visitor's permit of nine months.

There are more than 50 visa-free countries, and citizens of these countries do not need to apply for a visitor's visa before they travel to New Zealand (they are granted a visitor's permit at the border). Visitors from visa-required countries need to apply for a visitor's visa before travelling to New Zealand.

Visitors must have sufficient funds to support themselves, or have sponsorship, while they are in New Zealand. They also need evidence of travel arrangements made to leave New Zealand at the end of their stay, for example an outward travel ticket.

Students International students from visa-required countries must apply for a visa before travelling to New Zealand to study. If the course of study is less than 12 weeks, they may be granted a visitor's visa. If the course of study is more than 12 weeks, they may be granted a student visa. Students from visa-free countries who are intending to study for less than 12 weeks may enter New Zealand as visitors and be granted a visitor's permit. If they are enrolled in a course of study for more than 12 weeks, they must apply for a student visa before entering New Zealand.

Students must show they have been offered a place at a recognised educational institution. They must have: evidence that course fees have been paid, a guarantee of accommodation, the ability to support themselves, and a return ticket (or the funds to buy one). During their studies, student permit holders must attend classes and make satisfactory progress.

Students may be granted permission to work for up to 20 hours a week if certain conditions are met. Students undertaking a full-time course of 12 months or more may be allowed to work full time during the summer holiday period.

Students who have successfully completed a New Zealand qualification that would gain points under the skilled migrant category are eligible for a 12-month open work permit. Students who have graduated from a course of at least three years duration, or who have completed a New Zealand qualification that would qualify for points under the skilled migrant category, may be granted a work permit for up to two years if they have an offer of employment relevant to their course or qualification. A permit of up to three years may be granted if this is necessary in order to gain membership or registration with a New Zealand professional organisation.

Partners of students undertaking particular courses may be eligible for an open work permit for the duration of the student's course of study.

Guardian This policy allows the legal guardian of an international student to live with and care for the child while they study in New Zealand. Legal guardians of student permit holders who are enrolled in school years 1–13 or who are aged 17 years and under may apply for a guardian visa. The guardian visa can be renewed annually. Only one legal guardian in each family is eligible for a guardian visa at any one time.

Work-related entry

Anyone who wishes to work in New Zealand (except New Zealand or Australian citizens or residents) must have a work permit. People may enter New Zealand for a variety of work-related purposes. Some policies allow employers to recruit temporary workers from overseas to meet particular or seasonal skill needs that cannot be met from within New Zealand. Other policies allow partners of New Zealand citizens or residents to participate in the labour market. Work permits are also granted to young people (generally those aged 18–30 years) participating in working holiday schemes that New Zealand has established with several countries, and to people applying through work-to-residence policies.

For immigration purposes, 'work' is defined as an activity for which the person receives 'gain or reward', which can include not only money, but also accommodation and food. A work permit is still required if payment is made by an overseas employer.

Essential skills The essential skills work policy was introduced in July 2008, replacing the general work policy. One of the main objectives of the policy is to ensure employers are sourcing New Zealand workers before recruiting offshore. For the essential skills work policy, the Australian and New Zealand Standard Classification of Occupations is used to assign a skill level to certain occupations. Levels 1–3 are considered skilled, while levels 4–5 are considered lower skilled. Where applicants apply for an essential skills work permit or visa and hold an offer for a level 4–5 occupation, INZ will seek advice from the Ministry of Social Development, Work and Income, about the availability of New Zealand citizens or residents to undertake the work offered. This process can be waived when Work and Income has advised INZ of a regional absolute labour shortage for a specified occupation or industry.

Immediate skills shortage list INZ publishes a regionally-based labour market skills shortage list to facilitate work visa and permit applications from employers where there appears to be a skills shortage. This list is reviewed every six months.

Work-to-residence policy In 2002, new work permit categories that provide a pathway to gain residence in New Zealand were introduced. These categories allow people who are interested in applying for residence in New Zealand to work for up to two years before lodging their application for residence. The categories include the long-term skills shortage list work policy, and the talent work policies. People holding work permits under these policies may be eligible for residence after two years, if they meet all policy requirements including, in most cases, an offer of ongoing employment with a minimum base salary.

Long-term skill shortage list Applicants are eligible for a work permit under this category if they have an offer of employment for an occupation that is on the long-term skills shortage list. They also need the necessary qualifications, training or experience, and registration (if required) to undertake the offer of employment. The employment offer must be for at least 24 months, be full time, and comply with all relevant New Zealand employment laws. The list is reviewed every six months.

Talent (accredited employer) Businesses operating in New Zealand can apply to become accredited employers with INZ. Accredited employers are able to recruit workers directly from overseas to fill skill shortages, provided those workers meet immigration criteria.

Talent (arts, culture, and sports) Under this category, a person who has an international reputation, a record of excellence in their field, and who will enhance the quality of New Zealand's accomplishments and participation in that field, may be granted a work permit. An applicant must be sponsored by a New Zealand organisation of national repute.

Long-term business visa Work permits may be granted to business people interested in either applying for residence under the entrepreneur category, or establishing a business in New Zealand without living permanently in New Zealand. Applicants must submit a satisfactory business plan, meet English language requirements, and have sufficient funds to finance their proposed business and to support themselves and their families.

A long-term business visa is issued for nine months. To be granted an extension to their visa for a three-year term (including the initial nine months), applicants must provide evidence of having transferred the investment funds for the business to New Zealand, and of taking reasonable steps to establish the business.

Recognised seasonal employer (RSE) In 2007, the RSE policy was introduced to facilitate recruiting of overseas workers by employers in the horticulture and viticulture sectors, when labour demand exceeds the available New Zealand workforce. Employers need to have made reasonable attempts to train and recruit New Zealanders. Employers must meet a number of 'good employer' requirements to become an RSE. If approval to recruit overseas is granted, preferential access is given to workers who are citizens of eligible Pacific countries.

Image removed due to copyright issues

The Dominion Post

Vanuatu asparagus picker Dorman Kaltapang (right) works for grower George Turney for three and a half months a year under the recognised seasonal-employer work scheme. The scheme helps employers recruit overseas, mainly from Pacific countries, when the labour supply is short within New Zealand.

2009 Diversity Awards

In 2009, 12 organisations received awards from the Human Rights Commission to recognise their contributions to positive race relations in New Zealand. The winners were:

- Manurewa Marae – a cultural centre and safe haven for Manurewa’s multi-ethnic community, with a focus on education and health.
- New Coasters – assists newcomers settle into the West Coast region.
- PEETO, the Multicultural Learning Centre – a trust built around family principles, PEETO works with Christchurch’s migrants and refugees to help them settle.
- Nelson Multicultural Council – organises activities and support services for new migrants, and promotes positive ethnic relations through public events and publications.
- FAGASA (Faalapotopotoga mo le Aoaina o le Gagana Samoa I Aotearoa) – teaches Samoan in New Zealand, and organises school speech competitions and Samoan language week.
- Centre for Asian Health Research and Evaluation, University of Auckland – organises conferences and conducts research on Asian health issues.
- Umma Trust – focuses on enhancing the well-being of disadvantaged Muslim women, children, and families.
- Whanganui Regional Museum – its exhibitions show a unique partnership between local iwi (tribes) and the wider community.
- Wellington City Libraries – their information services include migrant web pages in 21 languages and international newspapers online.
- New Zealand Chinese Association Auckland Inc – holds regular sporting and cultural activities and an annual conference about being Chinese in New Zealand.
- Omega (Opportunities for Migrant Employment in Greater Auckland) – matches migrants with Auckland professionals in occupation-specific mentoring, to help break through barriers to getting work.
- The British Council – for their contribution to Race Relations Day and the People in your Neighbourhood event.

Source: Human Rights Commission

Supplementary seasonal employer (SSE) In July 2009, the SSE policy was introduced to allow employers in the horticulture and viticulture sectors to supplement their New Zealand workforce with onshore non-New Zealand citizen or resident workers, when labour demand exceeds the available New Zealand workforce. Employers must apply for an SSE ‘approval in principle’ to recruit SSE workers. Approval is only given where INZ, in consultation with the Ministry of Social Development, establishes there are not enough New Zealanders to fill those positions. Employers must have good employment practices and continue to actively recruit New Zealand workers. An SSE work permit will only be granted to an applicant who has not previously held an SSE work permit or a transitioning to seasonal employer work permit, or any other type of work permit since their most recent entry to New Zealand. An SSE work permit is granted for a period of six months.

Working holiday These schemes generally allow people aged 18–30 years (or 18–35 years for Canadian citizens) from partner countries to spend 6–23 months, but usually 12 months, in New Zealand to do temporary work. The schemes allow young New Zealanders to work overseas under reciprocal agreements. At October 2009, New Zealand had schemes with over 30 countries.

Removal and deportation

The Immigration Act 1987 requires all people in New Zealand, other than New Zealand citizens, to hold a permit or be exempt from holding a permit. The Act provides for residence to be revoked by the Minister of Immigration on certain grounds. People without a permit or an exemption are deemed to be unlawfully in New Zealand and may be removed.

Any person may appeal against removal, on humanitarian grounds, to the Removal Review Authority within 42 days of becoming unlawfully present in New Zealand. People removed from New Zealand are not eligible to return for five years after the date of their departure.

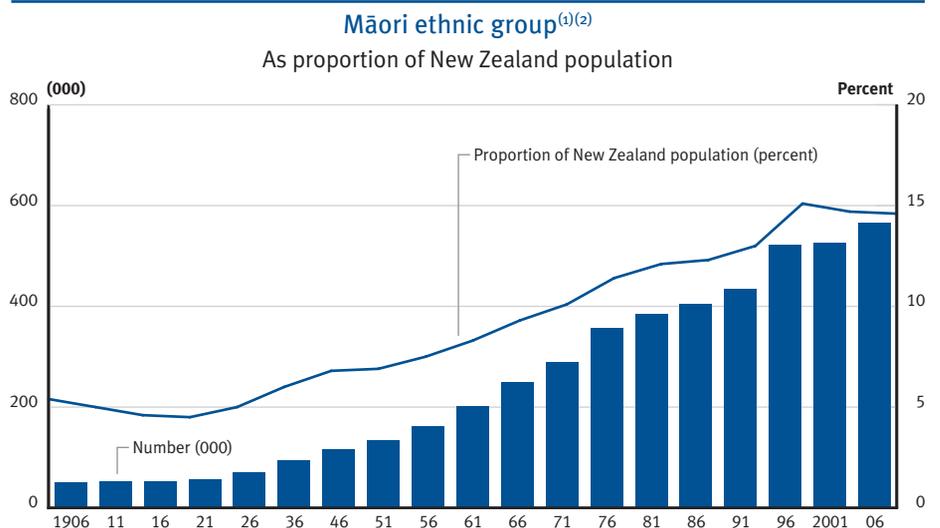
The Act provides for deportation of people who threaten national security or are suspected terrorists, or are criminal offenders who are residents of New Zealand. Such people may appeal on humanitarian grounds to the Deportation Review Tribunal, an independent tribunal administered by the Ministry of Justice. If the tribunal dismisses an appeal, the deportation order remains in place. A further appeal, only on a point of law, may be made to the High Court of New Zealand. Anyone deported from New Zealand is not permitted to return without special permission from the Minister of Immigration.

Māori society

Demography

In most surveys collecting data about ethnicity, including the Census of Population and Dwellings, ethnicity is self-perceived and people can, and do, identify with more than one ethnic group. People are counted as having Māori ethnicity if they state the Māori ethnic group as one of their ethnicities.

Figure 6.03



(1) Information is unavailable for the Māori ethnic group before 1991. Information about Māori collected in the censuses before 1991 was on the basis of descent/origin. (2) Before 1991 the subject population is the census night population count, which includes overseas visitors. From 1991 onwards, the subject population consists of the census usually resident population count who stated an ethnicity and does not include overseas visitors.

Note: There were no censuses in 1931 and 1941.

Source: Statistics New Zealand

Statistics based on ethnicity are widely used for analysing Māori population growth and distribution, and are relevant to many researchers. However, a different concept, based on Māori descent, is used to measure the Māori electoral population and produce iwi (tribe) statistics.

Age distribution Table 6.06 compares the Māori ethnic group population at the 2001 and 2006 Censuses by age group. Apart from the impact of births, deaths, and migration, inter-ethnic mobility (changes in ethnic identification over time) is also an important factor in Māori population change.

The 2006 Census showed that the Māori ethnic group was significantly younger in age structure than the total population – 35.4 percent of the Māori population was aged under 15 years, compared with 21.5 percent of the total population. By contrast, only 4.1 percent of the Māori population was aged 65 and over, compared with 12.3 percent of the total population. These differences mainly reflect the higher historical fertility (in terms of birth rates) and the lower life expectancy of the Māori ethnic group, relative to the total population.

Table 6.06

Māori ethnic group					
By age group ^(a)					
Age group (years)	2001 Census		2006 Census		Change between censuses (2001–06) Percent
	Number of people	Percentage	Number of people	Percentage	
0–4	67,560	12.8	66,423	11.7	-1.7
5–9	66,114	12.6	66,771	11.8	1.0
10–14	62,805	11.9	66,726	11.8	6.2
15–19	49,530	9.4	58,533	10.4	18.2
20–24	42,093	8.0	42,771	7.6	1.6
25–29	40,164	7.6	38,106	6.7	-5.1
30–34	39,252	7.5	39,456	7.0	0.5
35–39	38,322	7.3	38,598	6.8	0.7
40–44	32,859	6.2	37,272	6.6	13.4
45–49	25,092	4.8	31,905	5.6	27.2
50–54	19,473	3.7	24,192	4.3	24.2
55–59	13,827	2.6	18,627	3.3	34.7
60–64	11,550	2.2	12,816	2.3	11.0
65–69	7,938	1.5	10,155	1.8	27.9
70–74	5,070	1.0	6,510	1.2	28.4
75–79	2,688	0.5	3,807	0.7	41.6
80+	1,941	0.4	2,652	0.5	36.6
Total	526,281	100.0	565,329	100.0	7.4

(a) Census usually resident population count.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 6.07

Māori ethnic group ^(a)					
By region					
Region	2001 Census		2006 Census		Change between censuses (2001–06) Percent
	Number of people	Percentage	Number of people	Percentage	
North Island					
Northland	40,734	7.7	43,527	7.7	6.9
Auckland	127,626	24.3	137,133	24.3	7.4
Waikato	72,822	13.8	76,572	13.5	5.1
Bay of Plenty	63,654	12.1	67,662	12.0	6.3
Gisborne	19,365	3.7	19,758	3.5	2.0
Hawke's Bay	32,088	6.1	33,555	5.9	4.6
Taranaki	14,559	2.8	15,798	2.8	8.5
Manawatu-Wanganui	39,267	7.5	42,288	7.5	7.7
Wellington	51,123	9.7	55,437	9.8	8.4
Total	461,235	87.6	491,730	87.0	6.6
South Island					
Tasman	2,778	0.5	3,063	0.5	10.3
Nelson	3,219	0.6	3,612	0.6	12.2
Marlborough	3,891	0.7	4,275	0.8	9.9
West Coast	2,547	0.5	2,916	0.5	14.5
Canterbury	31,635	6.0	36,669	6.5	15.9
Otago	10,545	2.0	12,270	2.2	16.4
Southland	10,038	1.9	10,422	1.8	3.8
Total	64,650	12.3	73,230	13.0	13.3
Area outside region ⁽²⁾	393	0.1	369	0.1	-6.1
Total New Zealand	526,281	100.0	565,329	100.0	7.4

(a) Census usually resident population count. (2) Includes Chatham Islands.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

The Māori King movement

Image removed due to copyright issues

The New Zealand Herald

Kingi Tūheitia, the Māori king, and his wife Te Atawhai at Turangawaewae Marae during the anniversary of his coronation in August 2009.

King Tūheitia is the seventh Māori monarch. He took the throne in August 2006, following the death of his mother, Te Arikinui Dame Te Atairangikaahu. She was the longest serving Māori monarch, having celebrated the 40th jubilee of her coronation on 23 May 2006.

The Kingitanga movement began in the 1850s, some years after the arrival of Europeans, in an attempt to halt sales of land and promote Māori authority in New Zealand. A number of tribes supported the movement, but it became centred on the Waikato region and people. The desire to retain land was a central concern of the movement.

The position of Māori monarch, which was established in May 1858, is a non-constitutional role with no legal power in New Zealand, but it is a symbolic role invested with a high degree of mana (prestige).

In principle, the position is not hereditary. The monarch is appointed by the leaders of the tribes involved in the Kingitanga movement on the day of the previous monarch's funeral. To date, all Māori monarchs have been direct descendants of Pōtatau Te Wherowhero, the first Māori king, and each monarch since then has been succeeded by a son or daughter. However, after any reign ends, there is the potential for the mantle to be passed to someone from another family or tribe, if the chiefs of the various tribes are in agreement.

The Kingitanga movement has expanded since its establishment, and is widely recognised and respected by Māori in many parts of New Zealand.

Source: www.tvnz.co.nz

Female-to-male ratio In the 2006 Census, females outnumbered males in the Māori ethnic group. There were 290,466 Māori females and 274,860 Māori males, representing a sex ratio of 105.7 females to every 100 males.

Regional distribution Changes in the regional distribution of the Māori ethnic group between the 2001 and 2006 Censuses are shown in table 6.07 (previous page). People of Māori ethnicity continue to be concentrated in the North Island, and more especially in Northland, Auckland, Waikato, and Bay of Plenty. The Māori population in the North Island and South Island increased 6.6 and 13.3 percent, respectively, between the 2001 and 2006 Censuses. The Otago and Canterbury regions showed the largest percentage increases between the two censuses. Redistribution of the Māori population between 2001 and 2006 was the result of variations in the relative levels of natural increase (births minus deaths) in the regions, and the impact of both internal and external migration flows.

Dynamics of population change Māori have a substantially higher rate of natural increase than the total population, partly because of their more youthful age structure and higher birth rate. The birth rate for Māori women fell rapidly during the 1960s and 1970s and, as a consequence, the gap between their birth rate and that of the total population narrowed, from a two-child difference in 1962 to less than one child in 2006. Nevertheless, the Māori birth rate of 2.7 births per woman in 2006 remains higher than that for all women (2.0 births per woman). Births to non-Māori mothers and Māori fathers also contributed to Māori population growth.

Treaty of Waitangi

The Treaty of Waitangi Te Tiriti o Waitangi was signed at Waitangi on 6 February 1840. While the treaty has always been recognised within Māori society as an affirmation of rights, and highly valued as a taonga (treasure) and a sacred pact, this has not always been the case for governments or the courts.

However, in 1987, a ruling by the Court of Appeal ensured that the treaty moved from being 'a simple nullity', as it was described in 1877, to exerting an important influence over much of government activity. The ruling confirmed the special relationship between Māori and the Crown as one of an ongoing partnership, requiring the partners to act reasonably and with the utmost good faith towards each other.

Waitangi Tribunal

The Waitangi Tribunal Te Rōpū Whakamana i te Tiriti o Waitangi, established under the Treaty of Waitangi Act 1975, is a permanent commission of inquiry. Its main functions are to inquire into, and make findings and recommendations to the Crown on, claims by Māori relating to the Treaty of Waitangi.

The tribunal consists of up to 20 members appointed by the governor-general for up to three years, and a chairperson who is either a judge or retired judge of the High Court of New Zealand or the chief judge of the Māori Land Court. The chairperson may appoint a judge of the Māori Land Court as deputy chairperson and assign Māori Land Court judges to preside over particular inquiries.

Members are appointed for their expertise in matters likely to come before the tribunal. Tribunal membership reflects partnership in the Treaty of Waitangi through balanced representation of Māori and New Zealanders of European descent.

In exercising any of its functions, the Waitangi Tribunal has exclusive authority to determine the meaning and effect of the Treaty of Waitangi, as embodied in the English and Māori texts, and to decide upon issues raised by the differences between them.

The tribunal may inquire only into claims by Māori concerning legislation, acts, omissions, policies, and practices of the Crown that are alleged to have caused prejudice to the claimants, and that are claimed to be inconsistent with the principles of the Treaty of Waitangi.

Claims fall into three broad categories:

- historical claims (eg past government actions)
- contemporary claims (eg current government policies or practices)
- conceptual claims (eg ownership of natural resources).

The tribunal must register any claim that complies with the Act, but may refuse to inquire into claims it considers frivolous or vexatious.

The tribunal does not settle claims – it makes recommendations to the government on how claims might be settled. Generally, the tribunal has the authority to make recommendations only.

In most instances, its recommendations do not bind the Crown, claimants, or third parties, and nearly all claims are settled by negotiation with the government. However, in certain limited situations, the tribunal does have binding powers. These include powers to order the return of former state-owned enterprise, railway, education, or Crown forest land that has been memorialised (which makes the land available to the tribunal). However, in no other circumstances can the tribunal recommend or order the return of private land.

The tribunal's process is flexible and inquisitorial. It is not required to follow court rules of evidence, and it can adapt its procedures as it sees fit. For example, the tribunal can adopt the protocols of the marae (meeting place) at which a hearing is taking place.

All evidence is presented in public, hearings are open to all, and the tribunal's reports are published.

The tribunal has given priority to hearing historical claims, which are defined as alleged grievances that arose before September 1992. The government set a statutory deadline of 1 September 2008 for the submission of new historical claims.

From 1975 to 8 September 2009, the tribunal had registered 2,125 claims, and had completed reports on 15 of the 37 districts. The tribunal is also well advanced with reports on four more districts and is completing hearings in the Whanganui land inquiry. Together, these inquiries cover 81 percent of New Zealand's national territory.

Inquiries are in the planning and research stage in 10 further districts in Northland, East Coast, King Country, and from Taihape to Kapiti. Altogether, more than 1,000 registered claims and another 700 unregistered and pending claims – the majority of the outstanding claims – arise in the 15 districts now under tribunal action.

Office of Treaty Settlements Te Tari Whakatau Take e pā ana ki te Tiriti o Waitangi was established in January 1995, to give better focus to government objectives to resolve historical claims under the Treaty of Waitangi. The office has the following major functions:

- to provide policy advice to the Minister for Treaty of Waitangi Negotiations on specific treaty claims, and on generic issues that impact on these claims
- to negotiate and implement settlement of specific claims
- to acquire, manage, and dispose of Crown-owned property for purposes related to treaty claims.

For administration and financial management purposes, the office is attached to, but funded separately from, the Ministry of Justice. The office has funding through a Vote Treaty Negotiations allocation. At October 2009, the office was dealing with about 50 iwi (tribes), or clusters of iwi, at the pre-negotiation, negotiation, or implementation stages.

Te Puni Kōkiri

Te Puni Kōkiri was created by the Ministry of Māori Development Act 1991 to promote increased Māori achievement across key social and economic areas. Linked to this is a monitoring and liaising function with each department or agency that provides, or has a responsibility to provide, services to or for Māori, to ensure the adequacy of those services.

To achieve its purpose, Te Puni Kōkiri focuses predominantly on:

- leading and influencing government policy as it relates to Māori
- assisting the government to manage its relationships with Māori
- partnering and facilitating Māori, government, and private sector initiatives.

As an integrated policy ministry, Te Puni Kōkiri has functions that cover research, policy development, community-level investment, evaluation, and monitoring. Te Puni Kōkiri has an extensive knowledge and understanding of Māori communities, and a strong regional presence. Together, these functions and the regional infrastructure provide an ability to anchor policy advice in the realities of Māori communities, and to manage the Crown-Māori relationship on behalf of government.

Māori organisations

The **Māori Trustee** has been in existence since 1921 and is now governed by the Māori Trustee Act 1953. It is independent of the Crown and is accountable to landowners and the Māori Land Court. The Māori Trustee exists to:

- protect and enhance the interests of Māori clients and their resources
- manage the adverse effects of fragmented and multiple ownership of Māori land
- provide fair, proper, and prudent administration and management of clients' assets within the principles and obligations of trusteeship and agency.

In helping Māori to manage their land and assets, the Māori Trustee:

- acts as either a trustee or an agent for owners of Māori land, usually in leasing the land
- collects and pays rent and other income to owners
- invests trust moneys
- keeps landowners informed about how their land is managed
- regularly publishes an unclaimed moneys list.

The **New Zealand Māori Council** Te Kaunihera Māori is constituted under the Māori Community Development Act 1962, and is a founding member of the World Indigenous People's Council. Some of the functions of the council are to:

Treaty of Waitangi claim process

Each negotiation of a Treaty of Waitangi claim is different, reflecting the particular characteristics and interests of the claimant group. However, most negotiations progress through the following stages:

- Before negotiations begin, claimant groups need to establish that a breach of the treaty has occurred. To achieve this, claimants may go to the Waitangi Tribunal to have their claim heard or to do their research.
- In the pre-negotiations stage, a claimant group establishes a mandate from its members to negotiate with the Crown, and settles with the Crown the terms under which it will negotiate. A negotiated settlement will address multiple claims lodged at the Waitangi Tribunal.
- The negotiations stage covers discussions between a claimant group and the Crown over the basic elements of a settlement. These include the form of a historical account, the form of an apology, and the types of cultural and commercial redress that are appropriate.
- Next is the agreement in principle stage (previously called a heads of agreement), which is a broad agreement between the claimant group and the Crown as to what will make up a treaty settlement, including the total fiscal value of the settlement.
- Once the Crown and the claimant group's negotiators agree on the fine detail of the settlement, the two parties initial a deed of settlement. This is the Crown's formal offer of settlement and is subject to ratification by all members of the claimant group, usually through hui (meetings) and a postal ballot. If the deed of settlement is ratified by a clear majority, the deed will be signed and becomes binding. A bill is prepared to give effect to the settlement.
- This bill is then introduced into Parliament and passes through the normal parliamentary process (including referral to a select committee) before becoming law. A representative, transparent, and accountable governance entity needs to be established and ratified in order to receive the settlement redress.
- Implementation is the final stage of the process.

Twenty-five deeds of settlement had been signed by October 2009, settling multiple claims that cover more than half New Zealand's land area and over 25 percent of the Māori population.

Source: Office of Treaty Settlements

Image removed due to copyright issues

The New Zealand Herald

Auckland Māori warden Hine Grindley was awarded a Queen's Service Medal for bravery in 2009. She holds a photo of herself during riots in Queen St 25 years ago, when she and others linked hands and walked towards rioters to try and stop them.

- consider and discuss matters that are relevant to the social and economic advancement of Māori
- consider, and as far as possible act on, any measures that will conserve and promote harmonious and friendly relations between Māori and other members of the community
- promote, encourage, and assist Māori to conserve, improve, and advance their physical, economic, industrial, educational, social, moral, cultural, and spiritual well-being through self-reliance, sound economic management, and pride in themselves
- collaborate with and assist government departments and other organisations and agencies in developing employment, education, training, housing, and health care for Māori people.

As a statutory body, the council is accountable to the government for its funding. The council is based on the 946 marae (rural or urban Māori centres) throughout New Zealand. It represents 17 district Māori councils, which nominate three delegates to attend full council meetings. The council also includes representatives from the Māori Women's Welfare League and Māori wardens. The executive committee consists of the chairperson of each district council. The council is the only national Māori body with a statutory framework that recognises non-iwi-based representation. Apart from the urban councils, each district council is tribally represented and the council promotes the traditional social infrastructure of whānau (family) and hapū (subtribe).

The Māori Community Development Act is under review in 2010. Significant changes are envisaged, taking into account the urban drift that has occurred since the Act was passed.

Māori Congress Te Whakakotahitanga o ngā Iwi o Aotearoa was launched in 1990, after three national Māori leaders – the late Sir Hepi Te Heuheu, the late Dame Te Ātairangikaahu (the Māori Queen), and the late Mrs Te Reo Hura – sought to create a national body under which iwi could gather to share, consolidate, and advance their positions. Objectives of the congress include:

- advancement of all Māori people
- exercising of tino rangatiratanga (self-determination) by each iwi
- providing a national forum for iwi representatives to address economic, social, cultural, and political issues within tikanga Māori (Māori custom)
- promoting constitutional and legislative arrangements that enable Māori to control their development and exercise self-determination.

While acknowledging the strengths and autonomy of each iwi, the Māori Congress provides a forum at which matters of national importance affecting all iwi, and all Māori, can be debated within a Māori context. By standing apart from government, in both direction and funding, it offers an opportunity to consider options and strategies for social, economic, and cultural advancement. The congress has a wide iwi base that provides a source of collective Māori opinion to develop acceptable policies. Congress is led by two presidents, and has three elected officers. Membership includes five delegates from 45 participating iwi.

Māori Women's Welfare League Te Rōpū Wāhine Māori Toko i te Ora is a national voluntary organisation that aims to promote the well-being of Māori women and their families. The league has a nationwide network of 165 branches, with a membership of 3,000. It has been actively involved with Māori families and communities since 1951, improving health, housing, education, welfare, justice, and economic development for Māori people.

Māori wardens were established by the Māori Community Development Act 1962. Māori wardens are volunteers who provide services such as maintaining security for territorial local authorities, businesses, and hospitals; addressing truancy issues and removing children and young people from risk situations; dealing with issues of drug and alcohol misuse; helping whānau in need; working at the courts and other parts of the justice sector; and walking and patrolling the streets. They are usually people of high standing in the Māori community. Their approach is based on rangimārie (peace), aroha (compassion), and kōrero (persuasion). Knowledge of taha Māori (Māori ways) and pride in Māori identity guides the way the wardens operate.

Te reo Māori

Te reo Māori is the language of the indigenous people of New Zealand and an official language of the country. Legislation that led to declaring Māori as an official language of New Zealand was passed in 1987.

Māori Language Commission Te Taura Whiri i te Reo Māori was established by the Māori Language Act 1987 to promote the Māori language and its use as an official language of New Zealand – as a living language, and as an ordinary means of communication.

The Māori language renaissance, which began about 30 years ago, has fostered many Māori language initiatives to revitalise te reo Māori, including kōhanga reo (the Māori language immersion preschool movement), kura kaupapa Māori and wharekura (Māori language immersion primary and secondary schools), and whare wānanga (Māori tertiary institutions). There are also 21 Māori radio stations, and a Māori television service that began in 2004. New Zealand's first 100 percent Māori language television channel, Te Reo, was launched in March 2008.

Kōhanga reo is a whānau- (family) based movement where Māori values and customs are naturally acquired by preschool children aged 0–6 years, from kaumātua (elders), whānau, kaimahi (staff), and kaiako (teachers), through the medium of the Māori language.

Te kōhanga reo movement's aim is that through the example of the whānau, children learn aroha (love, compassion), manaakitanga (caring, hospitality) and whānaungatanga (family responsibilities). The movement provides courses and training programmes that can be accessed by whānau through their own kōhanga reo. Courses are whānau-based and designed to improve whānau skills and knowledge, not only in te reo and tikanga Māori, but also in learning and teaching, administration, and management of the kōhanga reo operation.

In 2009, there were approximately 500 kōhanga reo attended by 9,500 children throughout New Zealand.

Pacific peoples

Demography

As for all ethnic groups, population statistics for the Pacific ethnic group are compiled on the basis of self-identification. People are counted in the Pacific ethnic group if they indicate one or more Pacific ethnicities in response to the census ethnicity question.

The Pacific ethnic group includes people of Samoan, Cook Island Maori, Niuean, Tokelauan, Fijian, Tuvaluan, and other Pacific ethnicities (eg Hawaiian and Tahitian). People may identify themselves as belonging to more than one Pacific ethnicity. While they are counted in each ethnicity when considering specific ethnicities within the broad Pacific ethnic group, they are counted only once in the total Pacific ethnic group.

Table 6.08

Age group (years)	Pacific ethnic group ^(a)				
	By age group		By age group		Change between censuses (2001–06) Percent
	2001 Census	2006 Census	2001 Census	2006 Census	
Number of people	Percentage	Number of people	Percentage		
0–4	32,775	14.1	34,848	13.1	6.3
5–9	30,480	13.1	33,597	12.6	10.2
10–14	26,889	11.6	31,896	12.0	18.6
15–19	21,486	9.3	27,690	10.4	28.9
20–24	19,782	8.5	20,721	7.8	4.7
25–29	17,976	7.8	18,918	7.1	5.2
30–34	17,778	7.7	18,129	6.8	2.0
35–39	16,011	6.9	18,075	6.8	12.9
40–44	12,753	5.5	16,089	6.0	26.2
45–49	10,131	4.4	12,687	4.8	25.2
50–54	7,977	3.4	10,047	3.8	25.9
55–59	5,667	2.4	7,611	2.9	34.3
60–64	4,461	1.9	5,577	2.1	25.0
65–69	3,150	1.4	4,290	1.6	36.2
70–74	2,241	1.0	2,715	1.0	21.2
75–79	1,269	0.5	1,716	0.6	35.2
80+	975	0.4	1,359	0.5	39.4
Total	231,798	100.0	265,974	100.0	14.7

(a) Census usually resident population count.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Age distribution Table 6.08 compares the Pacific population at the 2001 and 2006 Censuses on an age group basis. The increase of 34,176 (14.7 percent) in the Pacific population between the 2001 and 2006 Censuses was partly a result of significant natural increase (an excess of births over deaths).

At the time of the 2006 Census, the Pacific population was considerably younger in age structure than the total population, with 37.7 percent of Pacific peoples under the age of 15, compared with 21.5 percent of the total population. By contrast, only 3.8 percent of Pacific peoples were aged 65 and over, compared with 12.3 percent of the total population. In the past, people of Pacific ethnicities in New Zealand had a different age structure from that of the Māori ethnic group. This difference was mainly the result of Pacific peoples' consistently high net migration levels, especially for the younger working-age group (15–24 years) during the 1970s. However, since 1996, with a large increase in intermarriage, the ageing of Pacific people, and relatively high fertility rates, their age structure has become almost identical with that of Māori.

Two other features affect the Pacific population. Firstly, in the past three decades, the number of Pacific people born in New Zealand has increased significantly, to reach 60 percent in 2006 – the result of growth in the population of reproductive age. Secondly, an increasingly large proportion of children and teenagers identify themselves as being of both Pacific and Māori ethnicities. More

Who are New Zealand's Pacific peoples?

The 2006 Census showed that the seven largest Pacific ethnic groups in New Zealand are: Samoan, making up the largest proportion (49 percent of all Pacific peoples in New Zealand), Cook Island Maori (22 percent), Tongan (19 percent), Niuean (8 percent), Fijian (4 percent), Tokelauan (3 percent), and Tuvaluan (1 percent).

All seven Pacific ethnic groups have very youthful populations, with a large proportion aged under 15 years, and only a very small proportion over 65 years. This distinctive age structure contributes to many of the differences between Pacific peoples and the total New Zealand population, which has an older age structure.

Around three-quarters of New Zealand's Cook Island Maori, Niuean, and Tokelauan populations were born in New Zealand. New Zealand-born Samoans and Tongans accounted for 60 percent and 56 percent of their respective populations. Fijians and Tuvaluans had the lowest New Zealand-born proportions (44 percent and 37 percent, respectively).

Pacific language retention varied, with Tuvaluans being the most likely to speak their own language (71 percent), followed by Samoans (63 percent), and Tongans (61 percent). Cook Island Maori, Niueans, Fijians, and Tokelauans had significantly lower rates; Cook Island Maori having the lowest, at 16 percent. Around one-quarter of Niueans and Fijians were able to speak their own Pacific language.

Fijians have the highest proportion of adults with a formal educational qualification (secondary school or post-school qualification), at 82 percent. Samoans have the next-highest proportion (69 percent). The other groups range from 55 percent (Cook Island Maori) to 64 percent (Tongans). The comparable figures for the total Pacific and total New Zealand populations are 65 percent and 75 percent, respectively.

All Pacific ethnic groups have a high proportion of people stating a religious affiliation. Highest are the Tuvaluans and the Tongans with 96 percent and 90 percent, respectively, followed by 86 percent of Samoans and Tokelauans, 82 percent of Fijians, and 70 percent of both Cook Island Maori and Niueans. In all groups, except Fijians, 96–98 percent of the affiliations were with a Christian denomination. Among Fijians, 87 percent were affiliated to a Christian denomination.

All seven Pacific ethnic groups continue to live mainly in urban areas, and only the Tokelauan group did not have the majority residing in the Auckland region, with 51 percent living in the Wellington region. For all Pacific ethnic groups, those in the younger age groups are more likely to belong to more than one ethnic group.

Source: Statistics New Zealand

than 25 percent of all children under the age of five who belong to the Pacific ethnic group also belong to the Māori ethnic group.

Regional distribution More than two-thirds of New Zealand's Pacific population live in the Auckland region. While all regions experienced growth in their Pacific populations between the 2001 and 2006 Censuses, in the Auckland region the Pacific population grew by 23,253 (15.0 percent) during the five-year period.

Table 6.09

Region	Pacific ethnic group ⁽¹⁾				
	By region				
	2001 Census		2006 Census		Change between censuses (2001–06) Percent
Number of people	Percentage	Number of people	Percentage		
North Island					
Northland	2,943	1.3	3,702	1.4	25.8
Auckland	154,680	66.7	177,933	66.9	15.0
Waikato	10,524	4.5	11,796	4.4	12.1
Bay of Plenty	5,463	2.4	6,465	2.4	18.3
Gisborne	1,137	0.5	1,299	0.5	14.2
Hawke's Bay	4,710	2.0	5,265	2.0	11.8
Taranaki	1,059	0.5	1,365	0.5	28.9
Manawatu-Wanganui	5,031	2.2	5,892	2.2	17.1
Wellington	32,283	13.9	34,752	13.1	7.6
Total North Island	217,833	94.0	248,472	93.4	14.1
South Island					
Tasman	222	0.1	336	0.1	51.4
Nelson	594	0.3	711	0.3	19.7
Marlborough	408	0.2	642	0.2	57.4
West Coast	186	0.1	282	0.1	51.6
Canterbury	8,622	3.7	10,923	4.1	26.7
Otago	2,646	1.1	3,141	1.2	18.7
Southland	1,278	0.6	1,461	0.5	14.3
Total South Island	13,950	6.0	17,496	6.6	25.4
Area outside region ⁽²⁾	15	0.0	6	0.0	-60.0
Total New Zealand	231,801	100.0	265,974	100.0	14.7

(1) Census usually resident population count. (2) Includes Chatham Islands territory.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Migration to New Zealand

Cook Islands The Cook Islands gained independence in free association with New Zealand in 1965. Its people retained the right of free entry to New Zealand and significant emigration began in the 1950s, and increased during the 1960s and 1970s. The most common destinations were Auckland and Wellington. Smaller numbers of migrants settled in other parts of New Zealand, mostly in the main urban areas. The 2006 Census recorded 58,011 Cook Island Maori living in New Zealand.

Fiji At the time of the 2006 Census, there were 9,861 Fijians living in New Zealand, an increase of 40.1 percent since 2001. New Zealand-born Fijians made up 43.5 percent of the Fijian population in 2006, while 51.7 percent of Fijians born overseas had been living in New Zealand for less than 10 years. Nearly 60 percent of Fijians lived in the Auckland urban area, with the next-largest concentration, 9.5 percent, in the Wellington urban area.

Niue achieved self-government in free association with New Zealand in 1974 and Niueans were granted right of free entry, residence, and New Zealand citizenship. Among New Zealand's attractions for Niueans is a more settled way of life. Niue is particularly vulnerable to natural disasters, such as drought and cyclones, and cyclones in 1959, 1960, and 2004 had devastating effects. In 2006, there were over 22,000 Niueans living in New Zealand, most of them in Auckland.

Samoa Samoa's 13 islands are divided into Samoa and American Samoa. The six islands east of the 171st meridian were annexed by the United States in 1899. New Zealand assumed control of Western Samoa at the start of World War I, and retained it until 1962, when Western Samoa became independent. Western Samoa is now known as Samoa. Emigration from the islands picked up in the mid-1960s and continues largely through the process of chain migration. Rapid population growth, a decline in export prices for cocoa and copra, a banana crop disease, and a major cyclone in 1966 were persuading factors for migrants. The Treaty of Friendship signed at Western Samoa's independence ensured emigrants would not have to register in New Zealand as aliens. Samoans constitute the largest group of Pacific peoples living in New Zealand – more than 130,000 at the 2006 Census. Most live in Auckland.

Tokelau The small island group of Tokelau was declared a British Protectorate in 1889. New Zealand took over administration on behalf of Britain in 1926 and it became part of New Zealand's territory in 1949. In 1994 Tokelau began a journey to internal self-government when the General Fono (national assembly) gained power to make internal decisions.

Image removed due to copyright issues

The New Zealand Herald

Jessica Minhas and members of Otahuhu College's Samoan Cultural Group rehearse for the annual Polyfest competition in Auckland. Samoans are the largest group of Pacific peoples living in New Zealand – more than 130,000 at the 2006 Census.

The 10 square kilometres of Tokelau's three atolls have few natural resources, apart from lagoons, coconut palms, and the ocean. The atolls are also vulnerable to cyclones. After a devastating cyclone in 1966, the New Zealand Government set up a resettlement scheme that involved about 500 people. These people voluntarily left Tokelau and resettled in urban Porirua and forest-industry towns such as Rotorua. In 2006, there were close to 7,000 Tokelauans usually resident in New Zealand and only about 1,500 in Tokelau.

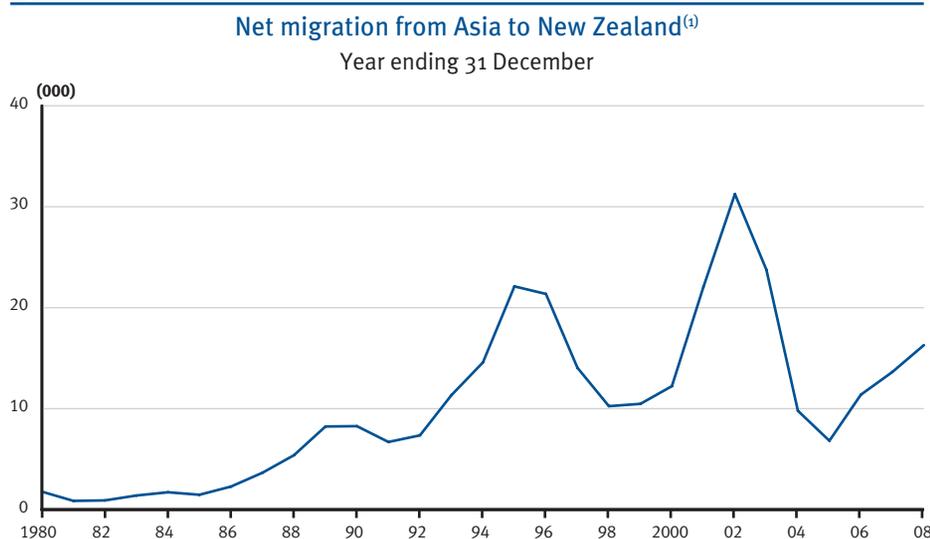
Tonga The Kingdom of Tonga is an independent nation. Population pressures have forced it to adopt emigration as an official policy. In 1970, a scheme was initiated under which Tongans were allowed to migrate to New Zealand temporarily to work in unskilled jobs in the processing industry. Many also went to Australia and to the United States. In 2006, more than 50,000 Tongans were living in New Zealand, most of them in Auckland.

Asian population

Demography

The population of the Asian ethnic group in New Zealand increased markedly between 1996 and 2006. People are counted as belonging to the Asian ethnic group if they give any Asian ethnicity in response to the census ethnicity question. People may identify themselves as belonging to

Figure 6.04



(1) Permanent and long-term migrants with a country of last or next permanent residence within Asia. This measure is not equivalent to net migration of the Asian ethnic group.

Source: Statistics New Zealand

more than one Asian ethnicity. While they are counted in each ethnicity when considering the groups independently, they are counted only once in the total Asian ethnic group. Figure 6.04 (previous page) shows the pattern of Asian migration from 1980 to 2008.

Asian ethnicities Even though most Asian ethnicities increased significantly between 2001 and 2006, each group's share of the total Asian population changed only marginally. In 2006, people of Chinese ethnicities were the largest subgroup within the Asian ethnic group (with a 41.6 percent share) and they experienced the largest numerical increase in their population, from 105,057 people in 2001 to 147,570 in 2006. People of Indian ethnicities (29.5 percent of the Asian ethnic group in 2006) experienced a similar numerical increase, from 62,187 people to 104,583 between 2001 and 2006, but had the highest percentage increase, at 68.2 percent. People of Korean ethnicity were the third-largest group, accounting for 8.7 percent (30,792 people) of the Asian ethnic group in 2006.

Table 6.10

Asian ethnic group ⁽¹⁾					
By age group					
Age group (years)	2001 Census		2006 Census		Change between censuses (2001–06) Percent
	Number of people	Percentage	Number of people	Percentage	
0–4	18,378	7.7	23,910	6.7	30.1
5–9	18,381	7.7	25,053	7.1	36.3
10–14	19,521	8.2	27,987	7.9	43.4
15–19	27,102	11.4	32,076	9.0	18.4
20–24	24,018	10.1	45,621	12.9	89.9
25–29	17,979	7.5	32,232	9.1	79.3
30–34	19,947	8.4	27,882	7.9	39.8
35–39	22,722	9.5	29,163	8.2	28.3
40–44	19,806	8.3	30,747	8.7	55.2
45–49	15,690	6.6	24,870	7.0	58.5
50–54	11,520	4.8	18,012	5.1	56.4
55–59	7,161	3.0	12,525	3.5	74.9
60–64	6,192	2.6	8,403	2.4	35.7
65–69	4,434	1.9	6,987	2.0	57.6
70–74	2,589	1.1	4,602	1.3	77.8
75–79	1,485	0.6	2,445	0.7	64.6
80+	1,254	0.5	2,037	0.6	62.4
Total	238,176	100.0	354,552	100.0	48.9

(1) Census usually resident population count.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 6.11

Asian ethnic group ⁽¹⁾					
By region					
Region	2001 Census		2006 Census		Change between censuses (2001–06) Percent
	Number of people	Percentage	Number of people	Percentage	
North Island					
Northland	1,998	0.8	2,580	0.7	29.1
Auckland	151,602	63.7	234,219	66.1	54.5
Waikato	12,021	5.0	18,204	5.1	51.4
Bay of Plenty	5,202	2.2	7,824	2.2	50.4
Gisborne	621	0.3	741	0.2	19.3
Hawke's Bay	2,937	1.2	3,513	1.0	19.6
Taranaki	1,500	0.6	2,154	0.6	43.6
Manawatu-Wanganui	6,564	2.8	8,121	2.3	23.7
Wellington	27,819	11.7	36,477	10.3	31.1
Total North Island	210,264	88.3	313,833	88.5	49.3
South Island					
Tasman	369	0.2	567	0.2	53.7
Nelson	861	0.4	1,065	0.3	23.7
Marlborough	387	0.2	639	0.2	65.1
West Coast	243	0.1	345	0.1	42.0
Canterbury	19,431	8.2	29,169	8.2	50.1
Otago	5,769	2.4	7,779	2.2	34.8
Southland	849	0.4	1,149	0.3	35.3
Total South Island	27,909	11.7	40,713	11.5	45.9
Area outside region ⁽²⁾	C	C	C	C	C
Total New Zealand	238,176	100.0	354,552	100.0	48.9

(1) Census usually resident population count. (2) Includes Chatham Islands territory.

Note: Figures may not add to stated totals due to rounding.

Symbol: C confidential

Source: Statistics New Zealand

Age distribution Between 2001 and 2006, the population of the Asian ethnic group increased by nearly 50 percent, from 238,176 people to 354,552. This represents an average growth rate of 9.8 percent a year, compared with 1.6 percent for the total New Zealand population. Net migration was a major contributor to this population growth. This growth also had a significant impact on the overall age structure of the Asian group. At the time of the 2006 Census, 73.8 percent of the Asian ethnic group were of working age (15–64 years), compared with 66.2 percent for the total population. By contrast, only 4.5 percent of Asians were aged 65 and over, compared with 12.3 percent of the total population.

Regional distribution The Asian ethnic group continues to be concentrated in the Auckland, Wellington, and Canterbury regions. Between the 2001 and 2006 Censuses, the Auckland region experienced the largest growth in its Asian population in numerical terms, while Marlborough experienced the largest growth in percentage terms (65.1 percent). The Auckland region's Asian population increased more than 80,000, to reach 234,219 people in 2006, and represented 71.9 percent of the national increase of 116,376 Asian people between 2001 and 2006.

Human rights

Human Rights Commission

The Human Rights Commission Te Kāhui Tika Tangata is an independent Crown entity, which has a range of functions to perform under the Human Rights Act 1993. The commission's major functions are to:

- advocate and promote respect for, and understanding and appreciation of, human rights in New Zealand
- encourage maintenance and development of harmonious relations among individuals, and among the diverse groups in New Zealand
- lead, evaluate, monitor, advise, analyse, and liaise on equal employment opportunities
- respond to enquiries from members of the public about discrimination
- facilitate the resolution of disputes alleging unlawful discrimination in the most efficient, informal, and cost-effective manner possible.

The commission also promotes a better understanding of the human rights dimensions of the Treaty of Waitangi, and their relationship with domestic and international human rights law.

The commission must act independently in performing its statutory functions and duties, and in exercising its statutory powers. The Act provides for the positions of chief commissioner, equal employment opportunities commissioner, race relations commissioner, and no more than five part-time human rights commissioners.

The commission has offices in Auckland, Wellington, and Christchurch.

Enquiries and complaints service The commission mediates disputes relating to unlawful discrimination on the grounds of sex (including pregnancy), sexual and racial harassment, marital status (including being in a civil union), religious belief, ethical belief, colour, race, ethnic or

Human rights in New Zealand

In March 2005, the Human Rights Commission published a national action plan for the better protection and promotion of human rights and harmonious race relations in New Zealand. *The New Zealand Action Plan for Human Rights/Mana ki te Tangata* identified what needed to be done over a five-year period so the human rights of everyone living in New Zealand are better recognised, protected, and respected.

The commission is releasing a revised action plan in 2010, based on analysis of what worked well over the previous five years and what still needs attention.

Each year, the priorities in the commission's *Statement of Intent and Service Performance* are shaped by what has been identified in the action plan. The 2009–12 statement confirms the commission's emphasis on a comprehensive approach to human rights and race relations. The approach involves promotion and education, advocacy and protection, litigation, and handling enquiries and complaints. It highlights the commission's engagement with organisations, groups, and communities to build a nationwide understanding of, and respect for, human rights and responsibilities.

The commission's work programme is structured under the following themes, which support the priorities identified in the action plan:

- the human rights environment
- disabled people
- race relations
- right to work
- human rights and the Treaty of Waitangi
- international connectedness.

The commission monitors the implementation of international human rights standards, and submits independent reports on human rights in New Zealand to the United Nations convention committees.

Under its international obligations, the New Zealand Government has to prepare a national universal periodic review report every four years. This assesses progress on meeting New Zealand's international human rights obligations. As part of the process, the commission prepares its own assessment, including recommendations it considers would enhance human rights in New Zealand. The review is an assessment of human rights by member states of the United Nations and last took place in Geneva in May 2009.

Source: Human Rights Commission

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The New Zealand Herald

A New Zealand Sign Language (NZSL) interpreter signs for Louise Agnew (left) while Garth McVicar speaks to Parliament's law and order select committee in June 2009. NZSL is one of New Zealand's three official languages.

Sexual orientation and gender identity

New Zealand society has always included people who, today, would be described as lesbian, gay, bisexual, transgender, or transsexual. Historical accounts confirm that Māori communities acknowledged a range of sexual orientations and gender identities.

Sexual orientation Since the 1980s successive governments have removed some of the barriers preventing gay, lesbian, and bisexual people from having the same human rights as others. In 1993 sexual orientation became a prohibited ground of discrimination in the Human Rights Act. Between July 2004 and June 2009 the Human Rights Commission received 280 complaints and enquiries about discrimination based on a person's sexual orientation.

Gender identity A person's internal, deeply felt sense of being male or female (or something other or in between) is their gender identity. Most people's identity matches their biological sex. That is not the case for transgendered people, who often face misunderstanding or prejudice as a minority group.

In 2008 the Human Rights Commission published *To Be Who I Am*, the final report of its transgender inquiry. The report documented the discrimination many whakawāhine, fa'afafine, and transgendered people experience because of their gender identity. It recommended steps needed to protect their human rights.

Discrimination based on a person's gender identity comes under the ground of 'sex' in the Human Rights Act. Between July 2004 and June 2009, the commission received 259 complaints and enquiries about discrimination against transgendered people.

International human rights standards In November 2006 the Yogyakarta Principles were adopted by a group of human rights experts. The principles set out how international human rights law applies to sexual orientation and gender identity issues. They were recognised by the United Nations in May 2008.

The United Nations Committee on Economic, Social, and Cultural Rights affirmed that discrimination based on a person's sexual orientation or gender identity is prohibited. This means discrimination on these grounds is covered by international human rights treaties signed by New Zealand. New Zealand is required to report regularly on compliance with these provisions.

Source: Human Rights Commission

national origins, disability, age, political opinion, employment status, family status, and sexual orientation in the following areas – government or public sector activities; employment; access to education; access to public places, vehicles, and facilities; provision of goods and services; provision of land, housing, and accommodation; industrial and professional associations, qualifying bodies, and vocational training bodies; and partnerships.

In the year ending 30 June 2009, the commission received 5,834 enquiries and complaints. Of these, 1,405 had an unlawful discrimination component. The rest were predominantly about other human rights matters. Outcomes achieved through the dispute resolution process include encouraging parties towards self-help (where appropriate), increasing the parties' understanding of human rights standards, apologies, participation in policy reviews, and financial compensation. Where a settlement cannot be reached, complainants may take their cases to the Human Rights Review Tribunal, and seek legal representation from the Director of Human Rights Proceedings.

If the tribunal upholds a complaint, a wide range of remedies is available, such as damages, and 'orders of specific performance'. The remedies vary according to whether the complaint is about private sector activities, or government policy or practices.

When a complaint concerns legislation or validly made regulations (and is not about the discriminatory application of legislation), and the complaint is upheld, the sole remedy available is a declaration of inconsistency. While this does not invalidate the legislation, the responsible minister is required to bring the tribunal's declaration to the attention of the House of Representatives, along with the government's response.

Parties can appeal to the High Court against tribunal decisions.

Equal Employment Opportunities Trust

The Equal Employment Opportunities (EEO) Trust was established in 1991 by the government and the private sector to promote EEO principles and best practice in the workplace. Trustees are representative of both public and private sectors.

The trust raises awareness of the business benefits of developing versatile workplaces that employ people on the basis of merit. The annual EEO Trust Work and Life Awards recognise organisations and individuals who champion work/life balance and other diversity issues.

Women's issues

The last 40 years have seen enormous changes in women's roles in society. Attitudes towards women and families have changed, and women now have many more options for how they live their lives than they did in the past.

While progress has been made, obstacles to achieving gender equity remain. These include: how to value the significant contribution women make through unpaid work, how to increase women's representation in leadership across the economy, addressing the potential undervaluing of female-dominated occupations, eliminating violence against women, and ensuring women have equal access to opportunities in workforce areas where they are still poorly represented.

The government is working to eliminate these inequalities, and to ensure that women have real choices and are able to use their strengths to maximise social and economic success.

The government's lead advisor on issues specific to New Zealand women is the Ministry of Women's Affairs Minitatanga mō ngā Wāhine. The ministry's main priorities for 2009–12 are:

- leadership – women have the opportunity to develop and use their skills and talents
- violence – women are healthy, empowered, resilient, and safe
- employment – women are participating fully in work, family, and community across their lifetime.

Family issues

Property (Relationships) Act 1976 In February 2002, the Matrimonial Property Act 1976 was renamed the Property (Relationships) Act 1976, and was amended to provide for division of property when a married or de facto couple separates, or when one of the partners dies. The 1976 Act was further amended in 2005 to include civil union couples.

Domestic Violence Act 1995 The Domestic Violence Act 1995 aims to deliver greater protection for victims of domestic violence. The Act provides for a single protection order that protects against a wide range of behaviour amounting to physical, sexual, or psychological abuse. The order involves certain statutory provisions, including a prohibition on any form of violence, and restricting the possession of firearms. It includes special conditions that a court can impose to suit the circumstances of the particular case. The order also contains flexibility around certain provisions, such as the non-contact provision, so that the applicant can agree to live with the respondent. The other conditions still apply, and the applicant can change their mind at any time. The Act places particular emphasis on providing programmes for victims and their children, and mandatory programmes for respondents to protection orders.

The Act applies to married and de facto spouses, same-sex partners, family and household members, and those in close personal relationships. The Act also recognises that abuse can occur not just in relationships between domestic partners, but also in wider family groups.

Domestic Violence (Enhancing Safety) Bill The Domestic Violence (Enhancing Safety) Bill was passed into legislation on 21 October 2009. The Bill amends the Domestic Violence Act 1995, the Sentencing Act 2002, and the Bail Act 2000. The Bill strengthens the responsiveness of criminal justice agencies to victims of domestic violence.

The provisions in force include:

- Police are able to arrest a person without a warrant if they have good cause to suspect the person has committed a breach of the protection order.
- Police may impose any conditions they believe reasonably necessary to protect the victim of the offence, and any person residing with the victim, when bailing a person charged with a domestic violence offence.
- The two-tiered penalty structure for breaches of protection orders is removed, leaving only the maximum penalty of up to two years imprisonment.
- A penalty of up to six months imprisonment for failing to attend a court-ordered programme.

Provisions that came into force on 1 July 2010 include:

- Police are able to issue police safety orders to ensure the immediate safety of victims by removing the alleged violent person from the home for up to five days.
- The criminal courts are able to issue a protection order on behalf of the victim in cases where an offender is sentenced for a domestic violence offence (unless the victim objects).

Care of Children Act 2004 The Care of Children Act 2004, which came into force on 1 July 2005, repealed and replaced the Guardianship Act 1968 and the Guardianship Amendment Act 1991.

The Act signalled a shift in emphasis from parental rights to parental responsibilities, with the role of both parents being treated as equally important. It increases the number of situations in which a biological father is automatically a guardian of his children. It recognises certain rights of children. These rights include providing reasonable opportunity to express a view on matters that are important to them when there are proceedings before a court.

Family violence is not OK!

The Campaign for Action on Family Violence, the 'It's not OK' campaign, is a major initiative to change the way New Zealanders think and act about family violence.

The campaign was a response to growing concern about family violence in New Zealand. Half of all murders are committed by a family member and police deal with approximately 70,000 calls about family violence each year.

The goal is to reduce society's tolerance of family violence and change people's damaging behaviour within families. The campaign emphasises possibilities for change rather than blaming or shaming. The key message, 'It's not OK – but it is OK to ask for help' has become part of Kiwi language.

The multi-layered campaign combines awareness raising, through TV advertising, with support for locally led initiatives to prevent and address family violence. An action fund has provided 147 grants to projects throughout New Zealand. Campaign work also involves partnerships with non-government organisations, and with sporting groups, business, local government, and young people's organisations.

Media advocacy work encourages more responsible coverage of family violence stories in New Zealand. A free-phone line (0800 456 450) and the campaign website (www.areyouok.org.nz) provide information and advice. Free print resources are also available. Research assessing the campaign's impact shows that about one in five people have taken some action as a result of the campaign and more people are seeking help.

It's not OK is led by the Ministry of Social Development and the Families Commission. A new phase of the campaign in 2010 is about helping families, whānau,

Image removed due to copyright issues

The New Zealand Herald

The annual White Ribbon March against family violence winds through Henderson. In 2009, more than 510,000 white ribbons were worn by New Zealanders to show support for a violence-free society.

friends, workmates, and neighbours to take action. It focuses on giving and receiving help, noticing when things start to go wrong, and supporting people to get the help they need.

Each year the related United Nations White Ribbon campaign asks men to show their support for ending violence to women. In 2009 more than 510,000 white ribbons were worn by New Zealanders to show support for a violence-free society, with events throughout the

country. For the first time a White Ribbon Ride was held, with leather-clad bike-riders touring the North Island, telling and listening to stories to draw attention to ways of making a positive difference.

In 2009 a number of new white ribbon ambassadors were announced. These men are of varying age, and are chosen especially for their efforts to reduce family violence through their work in local communities.

Source: Families Commission

Youth development

The Ministry of Youth Development Te Manatū Whakahiato Taiohi promotes the interests of young people aged between 12 and 24 years. The ministry's work involves:

- Facilitating young people's voices – ensuring a diverse representation of young people's opinions, experiences, and interests is available to government to support decision making.
- Youth development policy advice – assisting and supporting the successful transition of young people to adulthood.
- Enabling youth development – managing support for often vulnerable and at-risk young people by funding a network of community-based providers throughout New Zealand.

The Ministry of Youth Development's focus is to support three aspects of youth development:

- Young people to be the best they can be – by encouraging and supporting participation in challenging recreational and development opportunities, by increasing opportunities to participate in positive development activities, and by providing opportunities for young people to showcase their talent.
- Young people to stay on track – by encouraging interaction with positive role models; by providing respite/relief for families under stress, particularly after school and during holidays; and by providing positive and challenging development opportunities for vulnerable young people.
- Young people to have their say – by providing ways for government and other agencies to hear young people's voices, by supporting and encouraging their participation in policy and legislative processes, and by enabling young people to influence and improve government decisions.

The ministry has a small regional presence, with offices in Auckland, Rotorua, Wellington, and Christchurch. This helps to support positive outcomes for young people at local, regional, and national levels, and contributes to government initiatives.

Contributors and related websites

Department of Internal Affairs – www.dia.govt.nz

Equal Employment Opportunities Trust – www.eeotrust.org.nz

Families Commission – www.familiescommission.govt.nz

Human Rights Commission – www.hrc.co.nz

Immigration New Zealand – www.immigration.govt.nz

Māori Language Commission – www.tetaurawhiri.govt.nz

Ministry of Justice – www.justice.govt.nz

Ministry of Women's Affairs – www.mwa.govt.nz

Ministry of Youth Development – www.myd.govt.nz

Office for Disability Issues – www.odi.govt.nz

Office of Ethnic Affairs – www.ethnicaffairs.govt.nz

Office of Treaty Settlements – www.ots.govt.nz

Statistics New Zealand – www.stats.govt.nz

Te Kōhanga Reo – www.kohanga.ac.nz

Te Puni Kōkiri Ministry of Māori Development – www.tpk.govt.nz

Waitangi Tribunal – www.waitangi-tribunal.govt.nz

Image removed due to copyright issues

The Dominion Post

Thomas Rameka (centre) with his children, Chozen (left), Beaudene, Tineal, Taylah, Lyrics, Troydon, Creedence, family friend Andrew, and Tyler. Mr Rameka is a big supporter of the Government's new Whānau Ora scheme – which aims to avoid duplicating the involvement and help that different government agencies give to families. The Rameka family was helped by Wesley Community Action in Porirua, an organisation that works in the community in a similar way to that Whānau Ora will use when more established.

7 | Social development

Social development is a process of coordinated social change that promotes the well-being of the population as a whole and of disadvantaged groups within it. Social development aims to promote well-being through social assistance, health, education, employment, and care and protection, and takes a whole-of-life approach to improving results.

Successful social development involves:

- ensuring that social and economic interventions are sustainable and reinforce each other
- supporting individuals, families, and communities to develop and deliver their own solutions – focused on their strengths, needs, and issues
- working with the private sector, local authorities, communities, and the voluntary sector to develop unified local services
- regularly monitoring New Zealanders' well-being, ensuring there is flexibility to respond to regional and local needs.

Ministry of Social Development

The Ministry of Social Development is New Zealand's largest government department, and employs people in about 200 locations around the country. It was established on 1 October 2001, by bringing together the policy advice and research functions of the then Ministry of Social Policy and the income support and employment services of Work and Income.

The ministry's aims include building strong and healthy families, supporting young people, helping people achieve economic independence, developing well-being within communities, and contributing to a growing and resilient economy.

The ministry works closely with other social sector agencies, including health, education, and housing, to improve all areas of people's lives. The ministry's framework covers children and young people, working-age people, older people, families, and communities.

The ministry undertakes social research and evaluation, gives policy advice to the government from across the sector, delivers income support and employment services through Work and Income, and delivers services to students through StudyLink. Family and community services – part of the ministry – leads and coordinates community-based services to families.

The ministry administers Child, Youth and Family, the Ministry of Youth Development, the Office for Disability Issues, the Office for the Community and Voluntary Sector, and the Office for Senior Citizens.

Whānau Ora launched

Whānau Ora aims to provide practical, community-based support to build the capability whānau (families) have to meet their development needs and take responsibility for their own lives.

The primary focus is on achieving the best results for whānau by developing whānau leadership and integrating the delivery of comprehensive social services.

The Whānau Ora Taskforce captured views from 22 national hui (meetings) and more than 100 written submissions. Taskforce members included Sir Mason Durie, Rob Cooper, Nancy Tuaine, Di Grennell, Suzanne Snively, and Linda Grennell.

The taskforce identified that Whānau Ora will be achieved when whānau are: self-managing; living healthy lifestyles; participating fully in Te Ao Māori; economically secure; active and successfully involved in wealth creation; and cohesive, resilient, and nurturing.

To support Whānau Ora's implementation, a governance group will provide strategic advice on policy priorities, and ensure there is coordination across government agencies and with key interested parties.

The group reports to the Minister Responsible for Whānau Ora, Hon Tariana Turia, and includes members of the former Whānau Ora Taskforce as well as the three chief executives from Te Puni Kōkiri, the Ministry of Social Development, and the Ministry of Health.

In the 2010 Budget, the Government confirmed \$134.3 million will be available over four years to allow Te Puni Kōkiri, the Ministry of Social Development, and the Ministry of Health to jointly implement Whānau Ora. The approach will be supported by integrating existing contracts into joint funding arrangements with other agencies.

In 2010, work to consolidate implementing Whānau Ora included a process to select the first 20 Whānau Ora provider organisations or sites.

Providers will have Whānau Ora practitioners to act as navigators or champions for the whānau, helping them access seamless health and social services to focus on opportunities to meet the whānau needs.

Regional leadership groups will be established in 10 regions. Community representatives will sit with the local agencies to ensure that Whānau Ora reflects the local priorities and knowledge of each region.

The Whānau Ora Taskforce report, media statements, speeches, and an FAQ sheet are available on Te Puni Kōkiri's website (www.tpk.govt.nz).

Source: Te Puni Kōkiri

The social sector strategy group carries out social sector policy, and research and evaluation. The group also includes the medium-term strategy unit, the Office for Disability Issues, the Office for Senior Citizens, and the Office for the Community and Voluntary Sector. The group includes the Centre for Social Research and Evaluation.

The social services policy group provides social-sector policy advice, including policies for working people, for child, family, and community, and for older people. The Ministry of Youth Development sits within the social services policy group.

Work and Income

Work and Income is part of the Ministry of Social Development. It provides income support and employment services for more than 1 million New Zealanders a year, and employs approximately 4,400 people in 190 locations.

The average number of applications for the main benefits and pensions each working day is about 1,800. This does not include applications for supplementary benefits by people receiving a main benefit, lump sum grants, or benefit advances. It does include all benefits, including the orphan's and unsupported child's benefits, non-beneficiaries receiving a supplementary benefit, unemployment – student hardship benefit, New Zealand Superannuation, and the veteran's pension.

Work and Income pays a wide range of benefits, supplementary benefits, and pensions. Benefits paid in the year ending 30 June 2009 included:

- Caring benefits – domestic purposes benefit (sole parent; caring for the sick or infirm; or woman alone)
- Incapacity benefits – sickness benefit and invalid's benefit
- Work-related benefits – independent youth benefit and unemployment benefit
- Miscellaneous benefits – emergency, unsupported child's, orphan's, and widow's benefits
- Military service pensions – veteran's pension
- New Zealand Superannuation
- Supplementary benefits and lump sum assistance payments – accommodation supplement, childcare subsidy, out of school care and recreation subsidy, disability allowance, funeral grant, special benefit, special needs grant, training incentive allowance, advance payments of income support, and recoverable assistance available to people not receiving benefits or pensions.

Benefit payment levels The levels at which all benefits are paid are adjusted annually, in line with movement in the consumers price index (CPI). The CPI-adjusted rate for New Zealand Superannuation and the veteran's pension is compared with average wage levels. This is to ensure the after-tax payment rate for couples is between 65.0 and 72.5 percent of the after-tax average ordinary-time weekly wage.

Image removed due to copyright issues

The Dominion Post

Siona Pemerika (left), Tuese Faavae, Lino Tulimai, Eno Liua-ana, Michael Va-a, and Leo Liua-ana began working as home insulation installers in Lower Hutt in July 2009. All but Eno had been unemployed before then. Work and Income pays a benefit to people who are not in full-time work, but want to be and are taking reasonable steps to find work.

Table 7.01

Income support weekly ⁽¹⁾ rates ⁽²⁾	
At 1 April 2009	
Type of income support	Net weekly payment ⁽³⁾ (\$)
Unemployment benefit / Sickness benefit⁽⁴⁾	
Single, aged 18–19 years, at home	126.92
Single, aged 18–19 years, away from home	158.65
Single, aged 20–24 years	158.65
Single, aged 25 years +	190.39
Married couple (each partner) ⁽⁵⁾	158.65
Sole parent	272.70
Invalid's benefit	
Single, aged 16–17 years	192.58
Single, aged 18 years +	237.97
Married couple (each partner) ⁽⁵⁾	198.31
Sole parent	312.62
Domestic purposes benefit	
Women alone	198.31
Sole parent	272.70
Domestic purposes benefit – caring for the sick or infirm⁽⁶⁾	
Single, aged 16–17 years	192.58
Single, aged 18 years +	237.97
Married couple (each partner) ⁽⁵⁾	198.31
Sole parent	312.62
Emergency maintenance allowance	
Aged 16–17 years, at home	126.92
Aged 16–17 years, away from home	272.70
Aged 18 years +	272.70
Widow's benefit	
Single	198.31
Sole parent	272.70
Orphan's benefit / Unsupported child's benefit	
Child, aged under 5 years	132.32
Child, aged 5–9 years old	153.55
Child, aged 10–13 years old	169.45
Child, aged 14 years +	185.25
Independent youth benefit	
Single, aged 16–17 years	158.65
New Zealand Superannuation / Veteran's pension	
Single, living alone	310.95
Single, sharing	287.03
Married person ⁽⁵⁾	239.19
Married couple (both qualify) ⁽⁵⁾	478.38
Married couple with non-qualifying spouse (each partner) ⁽⁵⁾	227.49

(1) Before 1 July 2007, some clients received fortnightly payments at double the indicated rates. Since that date, all benefits are paid weekly. (2) Rates shown are maximum amounts. For income-tested benefits, the amount a person receives depends on their income from other sources. (3) From 1 April 2005, the child component of benefits (ie the extra payment included for one or more children) was removed and included in working for families tax credits. (4) Since 1 April 2006, all clients receiving a sickness benefit are paid at the same rate, regardless of when their benefit was granted. (5) Married includes people who are married, living as married, or in a civil union. (6) Only the caregiver receives payment.

Source: Ministry of Social Development

Basic income exemptions People receiving an unemployment, sickness, or independent youth benefit, and non-qualified spouses of people receiving New Zealand Superannuation, have their weekly benefit reduced by 70 cents for each dollar of gross weekly income they earn above \$80.

People receiving an invalid's, widow's, or domestic purposes benefit have their benefit reduced by 30 cents for every dollar earned between \$80 and \$180 a week, and by 70 cents per dollar earned above \$180 a week.

Unemployment benefit An unemployment benefit is available to people who are not in full-time employment, but are capable of and willing to undertake full-time work, and are taking reasonable steps to obtain employment.

Unemployment benefit is also available to people who are not full-time students, but are engaged in full-time, employment-related training programmes.

At 30 June 2009, 50,855 working-aged people were receiving an unemployment benefit, 33,145 more than at the end of June 2008. At the same date, 7,356 working-aged people in training were receiving a benefit, 924 more than at 30 June 2008.

Domestic purposes benefit This benefit is available to parents caring for children without the support of partners, to people caring at home for someone who would otherwise be receiving hospital care, and, in some circumstances, to older women living alone. At 30 June 2009, there were 104,400 working-aged people receiving a domestic purposes benefit, 7,960 more than at 30 June 2008.

Widow's benefit Widow's benefits are available to women whose husbands, civil union partners, or de facto partners have died. At 30 June 2009, 5,820 working-aged women were receiving a widow's benefit, 17 more than at 30 June 2008.

Helping people move into work

The Ministry of Social Development's focus is on helping people gain the skills that lead to sustainable employment, providing effective support to keep them in work, and making sure that work leaves them and their families better off.

Through Work and Income, the ministry offers support and services to help people make the transition to, and remain in, employment.

Planning services help people looking for work create a definite pathway to employment.

Planning includes developing a 'job seeker agreement' for people receiving the unemployment benefit, and a 'personal development and employment plan' for others who will move into employment in the future. The plans are developed with each client, and set concrete goals to help people with their job search.

Job seekers may be able to get help to gain the skills needed for employment, to pay some of the costs of seeking work, and help with staying in employment when a suitable job is secured. More people are now eligible to access this help, including those with ill health, those with disabilities, and sole parents.

Help for job seekers includes job searching, self-employment, increasing skills, and help with course participation. Services offered include development services, work experience, and wage subsidies.

The range of services and assistance offered aims to ensure each person is in the best position to move into employment when appropriate. Work and Income also offers seminars and services that are specific to the needs of certain groups.

People moving into employment may be able to gain help through: seasonal work assistance, new employment transition grants, and transition to work grants. These can help with the costs of actively seeking employment, moving into employment, and remaining there.

Work and Income employs people to help job seekers find and remain in suitable, sustainable employment. These roles include work brokers and specialised employment coordinators, who liaise with employers to help fill vacancies.

Work and Income also offers in-work support to help some people remain in jobs they have secured.

Source: Ministry of Social Development

Invalid's benefit Invalid's benefits are available to people aged 16 and over who are either totally blind or permanently and severely restricted in their capacity for work. At 30 June 2009, 84,544 working-aged people were receiving an invalid's benefit, 1,665 more than at 30 June 2008.

Sickness benefit Sickness benefits are generally available to people aged 18 and over who cannot work due to sickness, injury, disability, or pregnancy. It can also be paid when a person is employed, but is losing earnings through sickness or injury, or is working at a reduced level. At 30 June 2009, 54,352 working-aged people were receiving a sickness benefit, 8,081 more than at 30 June 2008.

Family assistance

Working for families tax credits These tax credits are provided to low- to middle-income families with dependent children. They are paid to income earners through Inland Revenue and Work and Income. People receiving benefits, who live with dependants, get the working for families tax credit.

Childcare subsidy This subsidy provides financial help to low- to middle-income families with dependent children aged under five years, to help pay the costs of preschool childcare services.

In the year ending June 2009, there were 51,322 approved applications for childcare subsidies, 2,715 fewer than in the year ending June 2008. The fall in childcare subsidy use largely reflects the implementing of 20 hours per week free early childhood education. People who had received childcare subsidy for less than 20 hours per week stopped receiving the subsidy to take up the 20 hours per week free offer.

OSCAR subsidy The OSCAR (out of school care and recreation) subsidy provides financial help with the costs of OSCAR-approved childcare before and after school, and for approved school holiday programmes. The subsidy is available to low- to middle-income families with dependent children aged five to 13 years. In the year ending June 2009, 42,103 applications for an OSCAR subsidy were approved, 5,540 more than in the year ending June 2008.

In the mainstream

Image removed due to copyright issues

"With no official training, the reception part of the job was learn as you go," she said. "But with support from other staff, I'm growing into it."

"My disability doesn't mean I can't work. We're wasting talent out there. I have a double degree. That looks great on my CV, so I was getting the job interviews, but when I walked in I could see the employers' faces change. Employers don't want to discriminate but they still see a disability as a barrier."

Michael Barr works for Spreydon School. Surrounded by boxes containing precious records of past pupils and significant events, he electronically records the school's history and backs up records to ensure they are protected.

Mr Barr struggled with the disability caused by his accident, but the Mainstream programme supports his needs, such as reduced hours and a supportive team.

Abby has also benefited from the programme. She works at Landcare Research, looking after the daily running of the staff cafeteria, as well as other tasks.

"Staff make a huge commitment in training and supporting the Mainstream employees, and we are rewarded by being able to make a real difference in someone's life," Landcare's human resources manager Bernie Ryan said.

"Initial concerns are around the level of support required and how this might impact on the team. In reality, we have found that most people go out of their way to accommodate, encourage, and support their new colleague," he said.

"We can complete work that we wouldn't have had the personnel, time, or money to have achieved otherwise," Mr Ryan said. "Most important, however, is the huge satisfaction of seeing these individuals' personal and professional growth while they are with us."

Employers who use Mainstream know that disability is no barrier.

Ngaire O'Donnell (left) and Work and Income case manager Cathy Greenlees. Ngaire is a Mainstream employee who works in Christchurch.

Mainstream is one of the state sector's longest running programmes, and even after a few decades, continues to have great success.

Mainstream creates employment opportunities for people with significant disabilities within selected state sector organisations. It has proved that, with the right support and attitudes, people with disabilities can return to work and thrive.

Work and Income manager Pauline Saunders has had three Mainstream employees.

"Having Mainstream people here has broken down assumptions and improved everyone's understanding of disabilities and the potential people have," she said.

"It's had a positive influence on working with clients with disabilities. We focus on the person's strengths and abilities when identifying tasks. They often exceed everyone's expectations when they realise they can do things they have often been told they can't."

Some adapting in the workplace is needed, and Ms Saunders credits support agencies like Workbridge with making the process much smoother.

"Medication can affect people in different ways, or sometimes the physical environment may need some adjusting," she said.

Mainstream employee Ngaire O'Donnell works at Work and Income in administration support – and at reception.

Source: Ministry of Social Development

Image removed due to copyright issues

Support for families and communities

Family and Community Services is part of the Ministry of Social Development. Established in July 2004, it leads and coordinates government and non-government action to support families and communities.

Work done by the service contributes to families being strong and communities being connected.

Family and Community Services focuses on prevention and early intervention, to build the capability and resilience of families and communities. It does this by:

- supporting social cohesion and participation in communities
- helping families and communities to access information, develop the knowledge they need to thrive, and build community capability and capacity
- supporting families to be resilient and free from violence.

Work and Income and Inland Revenue together deliver Working for Families. This support package has been implemented progressively since October 2004, to make it easier to work and raise a family.

Under the programme, extra financial support is available for nearly all families (with children) earning under \$70,000 a year, many families (with children) earning up to \$100,000 a year, and some larger families earning more.

Changes have also been made to make housing more affordable. The accommodation supplement increased, and is available to more working families and to many people without children.

Subsidies for pre-school and out-of-school care have increased significantly, and are now available to more parents earning higher incomes.

Source: Ministry of Social Development

Otago Daily Times

Children wrapped as mummies at a school holiday programme in Oamaru. An out-of-school care subsidy is available for some children at approved holiday programmes.

Orphan's benefit This benefit is available to carers of children whose parents cannot support the child because they have died, are ill or incapacitated, or cannot be found. The orphan's benefit is not taxed. At 30 June 2009, 318 people were receiving an orphan's benefit, 16 fewer than at 30 June 2008.

Unsupported child's benefit This benefit is available to carers of children whose parents are, because of a family breakdown, unable to either care for the child or provide fully for the child's support. This benefit is not taxed. At 30 June 2009, 7,716 people were receiving an unsupported child's benefit, 277 more than at 30 June 2008.

Child disability allowance This is a non-taxable allowance paid to the parent or guardian of a seriously disabled child who requires constant care and attention. At 30 June 2009, 45,767 children were covered by the child disability allowance, 2,582 more than at 30 June 2008. For the year ending June 2009, 10,900 applications for the allowance were granted, 127 fewer than in the year ending June 2008.

Other assistance

Disability allowance This income-tested allowance is paid to people with additional, ongoing costs arising from a disability or a personal health need. People may receive a disability allowance for themselves or on behalf of one or more dependants. At 30 June 2009, 245,432 people were receiving a disability allowance, 11,837 more than at 30 June 2008. In the year ending June 2009, 81,510 applications for disability allowances were granted, 2,646 more than in the year ending June 2008.

Community services card This card entitles people on low- to middle-incomes to access reduced doctor fees and prescription charges. At 30 June 2009, there were 923,808 cardholders, 12,741 more than at 30 June 2008. The numbers of students and benefit recipients with cards rose, while the numbers of low-income earners and superannuitants holding cards fell.

Removing barriers for disabled people

Disabled New Zealanders are a diverse group, representing all sectors of society and a wide range of impairment types. Many disabled people experience multiple disadvantages in their everyday lives, and are excluded from places and activities most New Zealanders take for granted.

The Office for Disability Issues promotes the New Zealand Disability Strategy's vision of an inclusive society, where disabled people can say they are highly valued and can participate fully.

The strategy provides a framework for policy and services that impact on disabled people. It also calls for a change in thinking about and behaviour towards disabled people.

The office is located within the Ministry of Social Development, but works strategically across the whole government sector.

Key roles for the office include: leading strategic policy development across government; encouraging other agencies' understanding of disabled people, and how to include a disability perspective in policy development; monitoring and reporting progress in implementing the disability strategy and the UN Convention on the Rights of Persons with Disabilities; supporting the Minister for Disability Issues and the Ministerial Committee on Disability Issues; and maintaining strong relationships with the disability sector.

Source: Office for Disability Issues

Special needs grant This one-off payment is made in an emergency situation where the need cannot be met in any other way, and the person has insufficient financial resources to meet the need. A person does not have to be receiving a benefit to qualify for a special needs grant. In the year ending June 2009, 562,597 grants were made, 180,110 more than in the previous June year. Table 7.02 provides more details.

Special benefit and temporary additional support A special benefit provides financial help for people who have ongoing, essential costs that exceed their income and who are experiencing hardship because of this. Temporary additional support replaced the special benefit on 1 April 2006, and offers help for a maximum of 13 weeks. It is paid as a last resort to help clients with regular essential living costs that cannot be met from their available income (eg wages or benefit) and other resources. At 30 June 2009, 58,016 people were receiving a special benefit or temporary additional support, 15,502 more than at 30 June 2008.

Advance payment of benefit An advance is available to people receiving benefits – to help them pay for one-off, essential needs (eg washing machine) they would otherwise be unable to afford.

Training incentive allowance This Work and Income allowance helps people meet the costs associated with attending recognised occupational or work-related courses that provide specific work skills. The allowance is available to people receiving a widow's benefit, invalid's benefit, emergency maintenance allowance, or a domestic purposes benefit. In the year ending December 2008, 12,712 training incentive allowances were granted, 435 fewer than in the December 2007 year.

Hospital rate of payment Income support clients with no dependent children receive their full income support payment for the first 13 weeks of hospitalisation. After this, they receive a reduced hospital rate. The benefit rate is not reduced for clients with dependent children.

StudyLink services

StudyLink, a service of the Ministry of Social Development, connects people with the information they need to make informed decisions about student finances and other study-related issues, and provides financial support to students.

StudyLink provides services to more than 200,000 clients, with staff located in 38 sites nationwide.

The student allowance is a weekly payment that helps students with living expenses while they study full time. It is money that does not need to be paid back. The student loan can help with study costs. It is a loan that needs to be repaid.

Along with offering financial assistance, StudyLink has online tools and calculators to help students manage their finances and understand the cost of study. In addition, StudyLink offers advice and support for students in differing circumstances, including those with childcare costs, those with ongoing medical and disability costs, and students who are unable to find work during breaks from study.

StudyLink's website and online services help students work out what financial assistance they may be eligible for and allow them to submit an online application. Students can manage their own information online by using MyStudyLink.

Image removed due to copyright issues

Table 7.02

Special needs grants⁽¹⁾

Year ending 30 June 2009

	Number	Amount (\$)
Recipient's income type		
Domestic purposes benefit ⁽²⁾	181,825	23,994,175
Unemployment benefit ⁽³⁾	74,779	8,521,466
Invalid's benefit	74,932	8,742,955
Sickness benefit ⁽⁴⁾	88,459	9,609,344
Low-income earner ⁽⁵⁾	123,555	20,130,232
New Zealand Superannuation	15,511	2,107,768
Widow's benefit	3,339	411,441
Veteran's pension	197	34,542
Total	562,597	73,551,924
Reason for grant		
Food	432,374	45,192,959
Other emergency	44,549	8,939,594
Medical, in rest home	49,876	12,240,365
Education	1,397	261,612
Health-related	14,520	1,253,507
Re-establishment	11,623	3,882,192
Benefit stand-down	2,754	286,656
Goods or services	1	78
Miscellaneous	5,503	1,494,962
Total	562,597	73,551,924

(1) Includes recoverable and non-recoverable grants. Excludes benefit advances and payments made under the recoverable assistance programme. (2) Includes sole parent, caring for sick or infirm, woman alone, and emergency maintenance allowance. (3) Includes unemployment benefit, hardship, training, training – hardship, hardship – student, independent youth benefit, and emergency benefit. (4) Includes sickness benefit and hardship. (5) Includes accommodation supplement, childcare subsidy, OSCAR subsidy, disability allowance, child disability allowance, orphan's benefit, and unsupported child's benefit.

Source: Ministry of Social Development

The New Zealand Herald

Viviane Drury with the Super-Gold card that gives her free off-peak public transport access throughout Auckland. The discount and concession card, which can be used at about 5,000 outlets in New Zealand, is issued to all eligible seniors and veterans.

StudyLink works closely with students, and in cooperation with education providers, student bodies, and other agencies, to ensure students get the information they need and the financial support they are entitled to. More information about the student allowance, student loan, and the extra support that StudyLink can offer is on the StudyLink website (www.studylink.govt.nz).

In 2008, StudyLink:

- responded to over 1 million calls
- managed around 230,000 student loan, 110,000 student allowance, and 12,000 unemployment benefit (student hardship) applications
- paid about \$370 million in student allowances and \$1.2 billion in student loans.

Support of children by non-custodial parents

Child support Responsibility for collecting child support payments from non-custodial parents rests with Inland Revenue. Collecting payments aims to ensure that parents contribute to the support of their children. (See also chapter 27.)

New Zealand Superannuation

At 1 April 2009, New Zealand Superannuation provided \$310.95 a week (after tax at the 'M' rate) for a single person living alone, and \$478.38 a week for a married couple (or \$454.98 if one spouse did not qualify for superannuation). Recipients are required to pay tax on their superannuation payments.

The qualifying age for New Zealand Superannuation has been 65 years since 1 April 2001. A 10-year residency requirement also applies for applicants to qualify for New Zealand Superannuation.

At 30 June 2009, there were 530,758 people receiving New Zealand Superannuation, 16,482 more than at 30 June 2008.

War pensions

War pensions and concessions are available to people who served in World Wars I and II, Korea, Operation Grapple (1950s British nuclear tests), Malaya, Viet Nam, Mururoa (1970s French nuclear tests), the Gulf, Angola, Bosnia, Sierra Leone, East Timor, Afghanistan, the Solomon Islands, and Iraq. Routine service in New Zealand before 1 April 1974 is also included. Since then, service personnel have been covered under accident compensation provisions.

The War Pensions Act 1954 is administered by the secretary for war pensions, who is also director of Veterans' Affairs New Zealand. Payments are provided from the Vote Veterans' Affairs – Social Development allocation, while Work and Income processes and pays out the pensions.

KiwiSaver

Introduced in 2007, KiwiSaver is a long-term savings initiative designed to lift the standard of living New Zealanders have in retirement. Inland Revenue administers the scheme and members' funds are managed by many different KiwiSaver scheme providers.

The Government pays each new member \$1,000 when they join KiwiSaver – as a kick start to their account. Government also matches the member's contribution to a maximum of \$1,042.86 per year.

People aged 18–65 years who start new jobs are automatically enrolled in KiwiSaver. Once enrolled, they have eight weeks to opt out. After this time they become a KiwiSaver member and regular deductions are made from their pay at 2 percent, 4 percent, or 8 percent of their gross salary (the employee chooses the rate).

Employees already in a job can enrol directly with a scheme provider or through their employer.

Employers with employees who are members of KiwiSaver must pay a compulsory employer contribution at the rate of 2 percent of the employee's gross salary.

Non-employees who want to join KiwiSaver can do so by choosing a scheme provider and applying directly. They and their scheme provider agree on how much they will contribute.

Member's funds are locked in until they turn 65 or have five years of membership (whichever is the later), unless the member qualifies for early withdrawal due to serious illness, serious financial hardship, permanent emigration, or death.

Source: Inland Revenue

Table 7.03

People receiving income support and pensions

1940–2009⁽¹⁾

Year ⁽²⁾	Benefit type										Pension			Total
	Unemployment ⁽³⁾	Unemployment – training ⁽⁴⁾	Sickness ⁽⁵⁾	Invalid's	Miner's	Domestic purposes ⁽⁶⁾	Widow's	Orphan's/Unsupported child's	Family ⁽⁷⁾	Transitional retirement ⁽⁸⁾	New Zealand Superannuation ⁽⁹⁾	Veteran's ⁽¹⁰⁾	War ⁽¹¹⁾	
1940	4,053	...	2,565	11,811	988	...	10,174	330	11,053	...	93,262	...	3,485	137,721
1945	198	...	4,233	12,205	783	...	10,965	421	24,251	...	158,332	...	54,083	265,471
1950	12	...	4,931	9,476	636	...	14,198	366	254,920	...	186,512	...	56,398	527,449
1955	19	...	4,277	8,110	481	...	12,197	300	298,370	...	199,236	...	56,497	579,487
1960	312	...	4,064	8,024	353	...	13,049	277	343,193	...	204,036	...	59,676	632,984
1965	208	...	4,681	7,951	184	...	14,529	316	376,824	...	214,659	...	57,576	676,928
1970	983	...	5,876	8,342	98	...	15,663	315	408,397	...	241,772	...	51,698	733,144
1975	2,894	...	7,830	9,414	45	17,231	16,738	376	452,389	...	289,348	...	46,920	843,185
1980	20,850	...	7,504	5,647	21	37,040	16,120	413	460,897	...	405,834	...	39,296	993,622
1985	38,419	...	9,627	21,464	11	56,548	13,557	365	455,961	...	459,813	...	31,537	1,087,302
1990	139,625	9,453	19,511	27,824	6	94,823	12,676	5,239	446,373	...	495,500	3,428	25,424	1,279,882
1995	139,387	11,655	34,037	39,686	...	104,027	9,007	4,280	...	7,327	469,239	6,380	25,748	850,773
2000	155,405	3,755	32,294	55,392	...	108,939	9,104	5,799	...	8,856	453,401	7,248	24,056	864,249
2005	62,453	4,369	45,646	74,796	...	106,330	7,795	7,279	...	...	475,215	8,871	21,128	813,822
2006	51,553	5,571	47,559	77,046	...	102,331	7,181	7,502	...	...	488,825	9,472	21,103	818,143
2007	34,219	6,104	48,587	79,077	...	97,111	6,471	7,587	...	...	502,717	10,065	20,875	812,813
2008	27,479	6,446	46,710	85,197	...	97,157	5,983	7,773	...	...	514,276	10,736	20,668	822,425
2009	61,057	7,371	54,892	87,158	...	105,182	6,034	8,034	...	...	530,758	11,016	20,457	891,959

(1) Since 1975, hardship assistance is included in figures for related statutory benefits. (2) Before 1990, year ending 31 March; from 1990 onwards, year ending 30 June. (3) Includes unemployment benefit and unemployment benefit – hardship, independent youth benefit, and emergency benefit. From 1 July 2001, includes unemployment benefit – hardship – student. (4) Includes unemployment benefit and unemployment benefit – hardship, paid to people in training. (5) Includes sickness benefit and sickness benefit – hardship. (6) Includes domestic purposes benefit – sole parent, domestic purposes benefit – care of sick or infirm, domestic purposes benefit – woman alone, and emergency maintenance allowance. (7) Family benefit abolished 1 April 1991. Statistics for 1985 and 1990 are of uncertain accuracy. (8) Transitional retirement benefit abolished 1 April 2004. (9) Superannuation and age-related benefits are combined up to 1975, national superannuation from 1976–90, guaranteed retirement income 1990–92, and New Zealand Superannuation since 1994. Includes non-qualified spouses since 1996. (10) From 1996, includes non-qualified spouses, but excludes clients receiving war pension. From 1 July 1999, veteran's pensions funded from Vote Veterans' Affairs – work and income. (11) Includes pensions paid to surviving spouses and other dependants. From 1 July 1999, war pensions funded from Vote Veterans' Affairs.

Symbol: ... not applicable

Source: Ministry of Social Development

Table 7.04

Expenditure on income support and pensions

Year ⁽²⁾	Benefit type										Pension		
	Unemployment ⁽³⁾	Unemployment – training ⁽⁴⁾	Sickness ⁽⁵⁾	Invalid's	Miner's	Domestic purposes ⁽⁶⁾	Widow's	Orphan's/ Unsupported child's	Family ⁽⁷⁾	Transitional retirement ⁽⁸⁾	New Zealand Superannuation ⁽⁹⁾	Veteran's ⁽¹⁰⁾	War ⁽¹⁰⁾
	1940–2009 ⁽¹⁾												
	(\$'000)												
1940	869	...	418	1,884	185	...	1,572	30	505	...	13,036	...	4,286
1945	56	...	704	2,145	149	...	1,971	47	2,810	...	18,974	...	8,405
1950	21	...	2,017	2,795	240	...	4,320	62	29,702	...	34,627	...	10,517
1955	11	...	2,554	3,233	257	...	5,329	58	36,358	...	58,002	...	15,860
1960	380	...	3,439	4,237	226	...	7,832	79	63,584	...	85,502	...	22,939
1965	197	...	3,914	4,830	153	...	10,215	110	65,925	...	110,314	...	27,862
1970	1,465	...	6,073	6,093	99	...	13,742	150	72,318	...	155,822	...	30,929
1975	5,155	...	15,887	13,665	84	30,156	27,967	381	153,175	...	365,803	...	49,944
1980	66,077	...	33,236	40,924	76	169,449	53,342	778	220,854	...	1,334,115	...	92,529
1985	274,689	...	72,550	105,724	72	460,385	78,495	1,004	284,167	...	2,743,512	...	95,438
1990	1,235,056	56,460	229,568	260,751	68	1,136,718	114,888	24,742	284,444	...	4,774,676	1,147	103,770
1995	1,335,229	93,584	352,167	463,598	...	1,300,173	81,258	20,557	...	79,167	5,083,119	57,217	91,050
2000	1,663,822	45,201	384,680	700,385	...	1,590,813	91,592	35,413	...	112,384	5,227,598	73,801	101,277
2005	838,901	43,196	571,866	1,057,376	...	1,725,624	87,424	55,827	...	...	6,269,743	103,890	117,565
2006	716,072	47,686	612,367	1,097,936	...	1,682,154	82,446	64,624	...	...	6,615,876	112,335	128,303
2007	592,137	60,253	640,912	1,155,312	...	1,634,412	77,534	70,579	...	...	7,021,582	125,207	139,804
2008	430,457	64,556	652,576	1,245,464	...	1,635,728	72,797	80,966	...	...	7,571,533	140,686	153,602
2009	586,120	76,464	713,260	1,336,662	...	1,764,541	72,534	87,835	...	...	7,982,331	157,792	162,465

(1) Expenditure is on a cash basis to 30 June 1994 and an accrual basis thereafter, net of tax except for New Zealand Superannuation, and includes expenditure on selected supplementary benefits paid to clients receiving the benefits shown. (2) Before 1990, year ending 31 March; from 1990, year ending 30 June. (3) Includes unemployment benefit, unemployment benefit – hardship paid to unemployed people, independent youth benefit, and emergency benefit. From 1 July 2001, includes unemployment benefit – hardship – student. (4) Includes unemployment benefit and unemployment benefit – hardship paid to people in training. (5) Includes sickness benefit and sickness benefit – hardship. (6) Includes domestic purposes benefit – sole parent, domestic purposes benefit – care of sick or infirm, domestic purposes benefit – woman alone, and emergency maintenance allowance. (7) Family benefit abolished 1 April 1991. (8) Transitional retirement benefit abolished 1 April 2004. (9) Superannuation and age-related benefits are combined to 1975. National superannuation 1976–90, guaranteed retirement income 1990–92, and New Zealand Superannuation since 1994. Includes rest home subsidy and other supplementary payments before 1994. (10) From 1 July 1999, veteran's pension and war disability pension funded from Vote Veterans' Affairs – work and income allocation.

Symbol: ... not applicable

Source: Ministry of Social Development

Decisions on eligibility for war pensions are made by war pension claims panels, which act under the secretary's delegation. Each claims panel has a nominee from the Royal New Zealand Returned and Services Association and an employee of Veterans' Affairs New Zealand.

Veteran's pension This pension is available to ex-service personnel with a significant disability. The pension is paid at the same rate as New Zealand Superannuation and is taxed. At 30 June 2009, 11,016 people were receiving a veteran's pension, 280 more than at 30 June 2008.

War disablement pension This pension provides tax-free compensation for people who served in the armed forces and who suffer from a disability or disabilities related to that service. War pensions are increasingly related to the ageing of the population, and numbers receiving these pensions have remained relatively constant in recent years. At 30 June 2009, 14,479 people were receiving war disablement pensions, 469 fewer than at 30 June 2008.

Other war pension provisions In addition to war disablement pensions, the war pensions programme provides a pension for a surviving spouse, and additional allowances and concessions for clients receiving a war disablement pension. At 30 June 2009, 5,978 surviving spouses and other dependants were receiving war pensions, 258 more than at 30 June 2008.

Social security agreements

New Zealand has social security agreements with Australia, Canada, Denmark, Greece, the Republic of Ireland, Jersey and Guernsey, the Netherlands, and the United Kingdom.

The agreements have two main purposes. Firstly, to encourage the free movement of labour and secondly to ensure that when a person has lived or worked in more than one country, each country takes a fair share of responsibility for meeting the costs of that person's social security coverage.

Such agreements are now part of the basic infrastructure of the 'global village'. They enable people to move about the world for short or long periods, either to work or to be with family, without jeopardising their social security coverage. By being part of these agreements, New Zealand is better able to attract skills, specialist knowledge, and technical know-how from overseas.

A widening network of agreements also provides more options for New Zealanders who wish to live overseas in their retirement.

General portability Under the general portability provision, people eligible to receive New Zealand Superannuation or a veteran's pension, for themselves, may receive 50 percent of the payment while living outside New Zealand, provided they are not living in a country that has a social security agreement with New Zealand or in a Pacific country covered by the special portability arrangement. Applications must be made while the applicant is living in New Zealand.

Image removed due to copyright issues

The Press

Gordon Forrester took part in the 65th anniversary of World War II's Victory Day in May 2010. The Russian Cultural Trust in Christchurch organised the celebration – Mr Forrester had been on HMS Offa, which escorted supply convoys to help the Russians during the war.

Special portability arrangement People leaving New Zealand to live in certain Pacific countries can receive New Zealand Superannuation, or a veteran's pension, at a rate that is based on how long they lived in New Zealand from the age of 20 years.

People with 10 years' New Zealand residence since the age of 20 receive 50 percent of New Zealand Superannuation or veteran's pension. Those with 10 to 20 years residence are entitled to an extra 5 percent of superannuation or pension for each year of residence over 10 years. People with over 20 years' residence are entitled to the full rate.

Applicants must be living and present in New Zealand when they apply, and intending to live in the Pacific country for 52 weeks or more. Countries covered by the arrangement are American Samoa, the Cook Islands, the Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn Island, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, and Wallis and Fortuna.

Child, Youth and Family

Child, Youth and Family provides direct services for children and young people in need of care and protection, for children and young people who have committed offences, and for people involved in adoption processes. Child, Youth and Family's vision is to have safe children and young people in strong families and in responsive communities.

Child, Youth and Family was established in October 1999, following the integration of two Department of Social Welfare business units. Since July 2006, Child, Youth and Family has been part of the Ministry of Social Development.

Child, Youth and Family has statutory responsibility for children and young people whose family circumstances put them at risk of abuse and neglect, offending behaviour, or poor life outcomes. The organisation is guided by objectives and principles in the Children, Young Persons and Their Families Act 1989, and by other legislation, including the Adoptions Act 1955, Adult Adoption Information Act 1985, Adoption (Intercountry) Act 1997, and the Care of Children Act 2004.

Care and protection

Table 7.05 (overleaf) shows the number of care and protection notifications received and the number that required further assessment and action by a social worker. All cases accepted for assessment are assigned a criticality rating, or response category, at the time they are accepted.

In the year ending 30 June 2009, 110,797 notifications involving children and young people were received, of which 49,224 required further action. In the previous June year, there were 89,461 notifications, with 40,739 requiring further investigation. After investigation is completed, findings are classified and recorded under seven categories (see table 7.06 overleaf).

Help to get financially sorted

The Retirement Commission was established in 1993 to promote public education about retirement income issues and to monitor the effects of retirement income policies.

Through its work, research, and financial education and information programmes in schools, in the tertiary sector, in the workplace, and in the community, the commission contributes towards four key goals for New Zealand:

- New Zealanders are well educated in financial matters and can make informed financial decisions throughout their lives.
- The government's retirement income policies are effective and stable.
- The financial services sector is trustworthy.
- All retirement villages meet societal expectations and current quality standards.

sorted.org.nz – the commission is best known through its Sorted website (www.sorted.org.nz), booklets, and seminars. The website offers free independent and impartial information, including more than 40 interactive calculators, to help Kiwis of all ages understand money matters and manage their personal finances.

financialliteracy.org.nz – the commission hosts the financialliteracy.org.nz website, an important financial education resource for all New Zealanders. The website is home of the National Strategy for Financial Literacy and contains a database of financial education providers that meet quality criteria, resources for schools and tertiary institutions, research, and evaluation reports.

Retirement villages – the commission monitors the Retirement Villages Act 2003 and approves panel members to hear disputes.

The Retirement Commission received just over \$6 million funding for the year ending 30 June 2011.

Source: Retirement Commission

Acting for children

The Office of the Children's Commissioner was established in 1989 to advocate for the interests, rights, and well-being of children and young people to 18 years of age. It is independent from the executive and administrative arms of government. The current commissioner, Dr John Angus, was appointed in May 2009.

The children's commissioner is appointed by the governor-general and operates independently under the Children's Commissioner Act 2003.

The Office of the Children's Commissioner is required to promote the United Nations Convention on the Rights of the Child and to carry out two main functions.

The first is to monitor, assess, and report on services provided under the Children, Young Persons, and Their Families Act 1989. The focus is on monitoring the services delivered by Child, Youth and Family, New Zealand's statutory agency for children in need of safety and security or who are involved in offending.

Monitoring is done by reviewing cases, assessing information Child, Youth and Family provides, visiting Child, Youth and Family sites and residences, and gathering views and opinions. Monitoring helps agencies to improve services to children and young people.

The second main function is advocacy, which is carried out at several levels.

At an individual level, the office receives calls concerning children and young people – staff advise and refer to assist with those cases. The office cannot comment on any matter that is before any New Zealand court, including the Family Court.

At a policy level, the office gives independent advice and makes submissions to select committees, ministers, government departments, and other organisations.

At a public level, the office raises public awareness about children's interests, rights, and well-being. In 2009, priorities included services to children in care, the economic position of children in a recession, and early childhood education and care services.

In 2010, the office focused on: the quality of services to children who move from State care, responses to child neglect, child injury prevention, giving children's interests more weight in policy work, and the sexual health of young people.

A group of young people aged 12 to 18 years provides advice that helps the office with its obligation to consult with children. The group builds regional networks to find out what young people think about issues. Members also use schools, youth councils, church groups, cultural groups, and other networks to gather opinions.

Source: Office of the Children's Commissioner

Table 7.05

Care and protection notifications					
Year ending 30 June					
Action	2005	2006	2007	2008	2009
Care and protection notification received	50,488	62,739	71,927	89,461	110,797
Notification for further investigation	41,599	46,541	43,845	40,739	49,224
Critical – immediate response time (same day)	4,718	5,015	4,281	4,538	6,010
Very urgent (same day to one calendar day)	2,624	2,834	2,367	2,208	3,025
Urgent (same day to six calendar days)	25,940	29,245	26,253	23,623	28,144
Low urgency (same day to 27 calendar days)	8,317	9,447	10,944	10,370	12,045

Source: Child, Youth and Family

Table 7.06

Abuse and neglect investigation findings ⁽¹⁾								
Year ending 30 June								
Year	Sexual abuse	Physical abuse	Emotional abuse	Neglect	Behavioural/relationship problems	Self-harm/suicidal	Abuse not found	Total
2005	1,424	2,351	4,592	4,074	4,355	173	23,388	40,357
2006	1,291	2,336	6,142	4,199	4,657	172	26,011	44,808
2007	1,194	2,274	8,256	4,486	4,461	138	22,921	43,730
2008	1,003	2,321	8,664	4,302	4,154	116	19,334	39,894
2009	1,126	2,855	10,938	4,677	4,256	106	25,486	49,444

(1) Figures represent the number of findings, not the number of clients. Due to multiple findings, some clients are counted across more than one category.

Source: Child, Youth and Family

Case management When an investigation is completed and it is decided that Child, Youth and Family needs to remain involved with a child or family, direct services may be provided through family/whānau agreements, care agreements, family group conference plans, or court plans.

Family/whānau agreements When a family agrees there is a problem to address, family/whānau agreements are negotiated by a social worker. These agreements may be for up to three months, must be formally reviewed, and may be renewed for one further three-month period. In the year ending June 2009, 4,671 family/whānau agreements were signed, compared with 3,948 in 2008, 4,420 in 2007, and 3,392 agreements in 2006.

Family group conferences and court orders When a family/whānau agreement is not appropriate, intervention may occur through the family group conference process. Child, Youth and Family manages family group conference plans and court orders, to provide care for children while working towards their return to parents, or family/whānau. Interventions include custody orders, plans resulting from family group conferences, counselling orders, and support orders. In the year ending June 2009, 7,667 care and protection family conferences were held.

Conference plans are more common than court orders. Family group conferences encourage participation in resolving care and protection issues and often avoid the need for court involvement. The plans must be reviewed by reconvening the conference sometime, or by a less formal process.

Emergency action The Children, Young Persons and Their Families Act provides measures for keeping a child safe through warrant action by social workers or the Police, or through temporary care agreements with parents, to provide immediate care for a child while longer-term solutions are explored.

Youth justice services

A new youth justice structure has been in place since July 2007. Child, Youth and Family has established 25 new dedicated youth justice teams made up of social workers, coordinators, and practice advisors. Each team reports to a youth justice manager.

The new structure:

- changes how youth justice works and focuses on addressing the unique factors that lead young people to offend
- focuses on addressing issues that lead young people to commit crime, particularly serious violent crime
- allows youth justice to provide services that address both young people's offending behaviour and the context in which they offend
- helps youth justice to more effectively address re-offending, particularly as re-offending often involves more serious crimes.

Collaboration Youth justice believes that solutions to offending exist in the community. Within the new structure, youth justice services works alongside the youth justice sector and the community to develop an in-depth understanding of local issues, and to bring together the necessary support systems to prevent re-offending. Youth justice managers work within youth court boundaries and work closely with their local youth court judges.

Image removed due to copyright issues

The New Zealand Herald

Prime Minister John Key talks with students while visiting Hoani Waititi Marae in Auckland for the opening of the Hoani Waititi Rangatahi Court. The local youth court is using the marae for family group conferences, which aim to address the offending behaviour of children and young people.

Youth justice family group conferences Youth justice family group conferences are convened to address the offending behaviour of children and young people, and re-offending. They bring together members of the offender's family/whānau, law enforcement officers, and victims, to agree how the young offender will be held accountable, and to agree on appropriate intervention plans.

Care services Two main placement options are used for children and young people requiring alternative care. The options are either a home-based environment (extended family, caregivers, family home, special purpose family home, or specialist or group home) or a residential care centre (short- or extended-term local or national residence). International research indicates that family-based placements are more effective than other forms of placement. Children and young people are more likely to return to their usual caregivers, and are less likely to be re-abused, if they are placed in family-based care, rather than in residential centre (non-family-based) care.

The Children, Young Persons and Their Families Act shifted the emphasis away from longer-term, extended-care placements towards restoring a child's usual care arrangements. When alternative placements are necessary, emphasis is put on making a placement within the child's extended family or community, wherever possible.

Residential care Child, Youth and Family residences provide care and protection and youth justice programmes for children and young people aged eight to 16 years. A child is admitted to a residence only when there is no other practical alternative, or when a child's continued presence in the community is a threat to their own safety, or the safety of others. There are currently seven residences around New Zealand.

Table 7.07

Youth admissions to national residential facilities

Type of admission	Year ending 30 June				
	2005	2006	2007	2008	2009
Care and protection	...	109	135	158	131
Youth justice	...	307	299	715	698
Total admissions	654	416	434	873	829

Symbol: ... not applicable

Source: Child, Youth and Family

Adoption assessment, placement, and information services

Adoption services at Child, Youth and Family is responsible for statutory adoption services. The Ministry of Social Development's chief executive has the responsibility of the central authority role under the Adoption (Intercountry) Act 1997.

Local and inter-country adoption services include assessing and education preparation for prospective adoptive parents, counselling birthparents, approving placements, supervision, and reporting to the New Zealand Family Court. Post-adoption services are provided for birth and adoptive families when requested, or referrals are made.

Adult adoption information services provide information, pre- and post-reunion counselling (includes people receiving their original birth certificate), and mediation to birthparents and adult adopted people.

In 2008/09, 474 assessments were written on applications for domestic or inter-country adoption. Forty-three approvals were issued for children to be placed with non-relatives for adoption.

Footing it with the best

How can a 'new Kiwi' feel part of their community, which can be as foreign as Kiwi slang? For many, it's as simple as playing the beautiful game of football.

EthKick is an annual seven-a-side football tournament held in Palmerston North. The 2009 event attracted 39 ethnically diverse teams, 13 referees, and hundreds of supporters who turned out for 95 games over two days.

The event coincided with Race Relations Day to celebrate the community's many ethnicities. People from local and central government agencies supporting EthKick also pulled on their boots to mix it up with the communities.

"The EthKick football competition is a celebration of the district's cultural diversity. More than 100 ethnic groups live in the Manawatu. Its aim is to promote a positive image of friendship through football," Ethkick chair Heather Tanguay said.

The Massey University-based Omani team competed hard, facing the Saudi Thirsty Camels in the final to win EthKick 09. Their win qualified them to represent their country, and Palmerston North, at the New Zealand Communities Football Cup, which they also won.

Following the wins, the Omani team gained the title of New Zealand's best ethnic football side – one that sits with great pride for Omani captain Ibrahim Al-Hinai.

"Football has brought down barriers of language and cultures. The spirit of cooperation and appreciation of diversity from players, their supporters, and the community has been a wonderful experience. For us it feels good to be part of a society that goes to such great lengths to make us feel included. The people of Palmerston North should know we really appreciate it," Mr Al-Hinai said.

Being able to connect with the city's services and agencies has also been a highlight for the team's members. Mark Dawson, community relationships manager for Inland Revenue, said that having a combined Inland Revenue and Work and Income team provided a 'face' for the organisations. EthKick helped enhance the agencies' profiles with the ethnic communities.

"It was a great collaborative initiative. One that we will be looking at repeating for EthKick 10," Mr Dawson said.

EthKick 09 has had other results too – ethnic women now have a women-only swimming night at a local pool, and the first-ever Rainbow Praise event was held, an opportunity for Palmerston North's ethnic communities to celebrate their different faiths in songs of praise.

Source: Ministry of Social Development

Table 7.08

Adoptions granted or recognised by New Zealand

	At 30 June									
Adoptions	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Registered in New Zealand	364	319	325	323	275	314	294	266	259	222
In overseas court and recognised by NZ	274	344	256	265	339	209	356	353	333	..
Total adoptions	744	727	636	639	662	576	604	597	640	..

Symbol: .. figure not available

Source: Department of Internal Affairs

Table 7.09

Access to adoption information

	Year ending 30 June									
Action	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Original birth certificate issued to adopted person	1,230	1,030	943	902	878	797	686	739	604	559
Original veto from adopted person	1	4	0	7	6	0	4	15	10	4
Renewal veto from adopted person	6	8	1	9	1	1	5	0	0	0
Cancelled veto from adopted person	5	1	2	3	0	1	0	0	0	1
Birthparent application for identifying information	325	303	262	265	323	188	143	101	76	151
Original veto from birthparent(s)	4	2	1	5	5	6	32	55	15	19
Renewal veto from birthparent(s)	13	13	10	10	9	44	63	0	0	0
Cancelled veto from birthparent(s)	1	1	3	0	2	1	0	0	0	0

Source: Ministry of Social Development; Department of Internal Affairs

Free information and help

Citizens Advice Bureaux (CAB) have been serving New Zealand communities for over 35 years – by providing information, advice, and advocacy.

From 93 sites around the country, CABs provide free, confidential, and independent information and help to individuals. The sites are staffed by over 2,700 trained volunteers, making the CAB one of New Zealand's largest voluntary organisations. CAB volunteers include bilingual and multilingual people, as well as a multilingual information service that provides the full CAB service in 26 languages.

Information is provided to clients from a comprehensive database, which includes local and national information, and from an extensive range of information resources. In the year ending June 2009, CABs helped with approximately 676,000 enquiries from the public.

CAB volunteers assist with information on almost any topic or issue, including education and training information, legal services, employment rights, housing and tenancy, budgeting, health and welfare, consumer rights, personal and family matters, community groups, finance, and tax.

If a CAB cannot help people directly, volunteers will find someone who can. Many CABs also provide free legal services, links to free budgeting services, and have justices of the peace available at regular times.

The experience and information CABs gain from work with clients means the organisation is a window on the community and is well positioned to identify systemic social issues. CABs are careful to protect client confidentiality when using this information to advocate for socially-just legislation, policy, and practice.

Volunteering with the CAB provides an opportunity to connect with local communities, develop new skills, meet new people, and work on a variety of interesting issues.

The organisation can be accessed through its toll-free phone line (0800 367 222) or its website (www.cab.org.nz).

Source: New Zealand Association of Citizens Advice Bureaux

Other social services

Community services funding Community providers are funded each year by Child, Youth and Family to provide a variety of social services from non-departmental budget allocations. Child, Youth and Family allocates and manages funding and support to iwi (tribal) and community-based social and welfare services, to agree with government policies and criteria. Table 7.10 shows budget allocations for contracted social services from 2006 to 2009.

Table 7.10

Community services funding

	Year ending 30 June			
	2006 ⁽¹⁾	2007 ⁽¹⁾⁽²⁾	2008	2009
Allocation	\$(000)			
Information and advice	915	...	...	...
Education and prevention services	8,199	5,771	5,952	8,749
Family well-being services	41,092	38,962	41,692	52,618
Counselling and rehabilitation services	10,470	10,963	11,254	17,026
Emergency and special purpose housing and associated services	900	...	...	...
Strengthening providers and communities	6,500	5,011	4,915	5,784
Total	68,076	60,707	63,813	84,177
Other expenses incurred by Child, Youth and Family				
Contingency and innovations fund	365	365	365	365

(1) Figures for 2006 and 2007 exclude GST. (2) From 1 July 2006, community services' funding is grouped into four, not six categories.

Symbol: ... not applicable

Source: Child, Youth and Family

Contributors and related websites

Child, Youth and Family – www.cyf.govt.nz

Department of Internal Affairs – www.dia.govt.nz

Family and Community Services – www.familyservices.govt.nz

Inland Revenue – www.ird.govt.nz

Ministry of Social Development – www.msd.govt.nz

New Zealand Association of Citizens Advice Bureaux – www.cab.org.nz

Office of the Children's Commissioner – www.occ.org.nz

Office for Disability Issues – www.odi.govt.nz

Retirement Commission – www.sorted.org.nz

Studylink – www.studylink.govt.nz

Te Puni Kōkiri – www.tpk.govt.nz

Veterans' Affairs New Zealand – www.veteransaffairs.mil.nz

Work and Income – www.workandincome.govt.nz

Image removed due to copyright issues

The New Zealand Herald

Surfironman Cory Hutchings is heading a campaign to get parents into the pool to help their children gain confidence in the water. He is surrounded by the water babies class at Auckland's Millennium Centre in January 2010.

8 | Health and safety

Organisation of health services

The New Zealand health system has public, private, and voluntary sectors, which interact to provide and fund health care.

Health care is 78 percent publicly funded, with privately funded care consisting of out-of-pocket payments from households (about 17 percent), private insurance (almost 5 percent), and not-for-profit organisations (almost 1 percent) making up the balance.

The New Zealand Public Health and Disability Act 2000 established 21 district health boards (DHBs), governed by boards of directors that include locally elected members and ministerial appointees. The DHB provider arms offer most secondary and tertiary hospital services, including all acute and most elective cases. Private hospitals offer elective services on contract to DHBs and on a private basis, generally for the cases that do not meet the thresholds established by DHBs.

The first primary health organisations (PHOs) were introduced in 2002, as the cornerstone of implementing the Ministry of Health's 2001 *Primary Health Care Strategy*. There are now 82 PHOs, with more than 4 million patients (more than 95 percent of all New Zealanders), and involving the vast majority of general practitioners and practice nurses.

Much of New Zealand's health care is delivered by non-government organisations. These include both profit-making entities such as Healthcare NZ, and not-for-profit organisations such as Wellington Free Ambulance.

Ministry of Health

The Ministry of Health Manatū Hauora is the principal adviser to the Minister of Health on health policy. It also funds and regulates health services. The ministry acts for the minister in the health and disability system, and has overall responsibility for managing and developing that system. It also provides leadership to improve performance and acts for the minister in managing the formal relationship with the 21 DHBs (see over page).

The current structure of the health sector was established by the New Zealand Public Health and Disability Act 2000. The sector's strategic direction is set within two overarching documents: the *New Zealand Health Strategy* and the *New Zealand Disability Strategy*. These strategies are supported by other, more targeted, strategies that provide guidance and advice in specific areas, including Māori health, Pacific health, and primary health care.

Planning for a pandemic

An influenza pandemic can occur when a new strain of influenza virus that people have no natural immunity to emerges. If this new virus is able to spread easily from person to person, it could trigger a pandemic by quickly spreading around the world. New Zealand has been planning for a pandemic for some time.

The current version of the *New Zealand Pandemic Action Plan*, and other related material, is on the Ministry of Health website (www.moh.govt.nz).

The health sector works with other agencies to ensure plans are in place to manage a pandemic at national, regional, and local levels. These plans identify actions needed to prepare for and respond to a pandemic.

The ministry has information packs and brochures that advise on ways to minimise the spread of a virus among public and health workers, and the steps people can take to protect and care for their families. These steps include keeping at least a metre from other people, covering coughs and sneezes, and washing and drying hands often. They also advise people to build-up an emergency supplies kit.

The plans identify containment measures to slow and dampen the impact of a pandemic. These measures include advice to the public on how to keep themselves safe and how to seek assistance and treatment if unwell. Containment also includes border management, and programmes to control initial clusters of pandemic influenza in the community.

The plans have programmes to manage the pandemic if and when it becomes established in the community, including alternative ways of delivering health care when demand is high, maintaining critical infrastructure, supporting communities and business through the pandemic, and holding reserve supplies of critical items such as antivirals, antibiotics, and masks.

Preparedness and response were tested through exercises and simulations at a national and local level and through the response to the first wave of influenza A (H1N1) 2009. Strengths and weaknesses of the responses were identified, and have led to improvements.

Northern Hemisphere countries experienced an early resurgence of influenza A (H1N1) 2009 in their 2009/10 winter season. As a result, New Zealand focused on preparedness for a second wave in 2010.

Source: Ministry of Health

The ministry consists of eight directorates with defined responsibilities, each led by a deputy director-general: corporate services, health and disability national services, health and disability systems strategy, information, Māori health, population health, sector accountability and funding, and sector capability and innovation.

The ministry's core functions are:

- strategy, policy, and system performance – providing advice on improving health outcomes, reducing inequalities and increasing participation, and undertaking nationwide planning, coordination, and collaboration across the sector
- monitoring and improving the performance of health sector Crown entities and DHBs, which are responsible for the health of their local communities
- funding and purchasing health and disability support services on behalf of the Crown, including maintaining service agreements, particularly for public health, disability support services, and other services that are retained centrally
- administering legislation and regulations, and meeting legislative requirements
- administering payments for health benefits and service agreements
- collecting and analysing health information
- servicing ministers' offices and ministerial advisory committees.

Less than 2 percent of the Vote Health funding is spent on delivering the Ministry of Health's functions that support the sector and government. More information about the ministry and its work is available from the ministry's website (www.moh.govt.nz).

District health boards

New Zealand's 21 district health boards (DHBs) are Crown entities and have both funding (planning and funding health services for their populations) and provider (delivery of hospital and related services) roles.

Established under the New Zealand Public Health and Disability Act 2000, the statutory objectives of DHBs are to: improve, promote, and protect the health of communities; promote integration of health services, especially primary and secondary care services; and promote effective care or support for those in need of personal health services or disability support services.

The DHBs work with all health-care provider organisations to ensure specified health services are provided, and to balance each community's needs for health and disability services.

Crown-owned public hospitals are the main providers of secondary health-care services. Primary and community-based care comes from private providers, and non-government providers such as general practitioners, Māori providers, and disability support providers.

Each DHB is governed by a board. Boards have seven elected members, and up to four members appointed by the Minister of Health. DHB elections are held every three years, at the same time as local government elections, using a single transferable voting system. In addition to the governing board, each DHB must have three statutory advisory committees. Each board has a separate operating charter, and a set of accountabilities and reporting requirements.

The 21 DHBs and their constituencies are:

- Northland – Far North, Whangarei, Kaipara
- Waitemata – Rodney, North Shore, Waitakere
- Auckland – Auckland north-west and gulf, Auckland north-east, Auckland south
- Counties Manukau – Manukau, Mangere, Manurewa, Franklin, Papakura
- Waikato – Thames-Coromandel, Waikato, Hamilton, South Waikato
- Bay of Plenty – Western Bay of Plenty, Tauranga, Whakatane
- Lakes – Rotorua north, Rotorua south, Taupō
- Tairāwhiti – Gisborne, Tairāwhiti
- Hawke's Bay – Wairoa, Hastings, Napier-Chatham Islands, Central Hawke's Bay
- Taranaki – New Plymouth, Taranaki north, Taranaki south
- Whanganui – Wanganui, Waimarino, Rangitikei
- MidCentral – Manawatu, Palmerston North, Tararua, Horowhenua
- Wairarapa – Masterton, Carterton, South Wairarapa
- Hutt Valley – Lower Hutt central, Lower Hutt harbour, Wainuiomata
- Capital & Coast – Kapiti Coast, Porirua, north-west and south-east Wellington, Lambton
- Nelson Marlborough – Tasman, Richmond, Nelson, Marlborough, Blenheim
- West Coast – Buller, Grey, Westland
- Canterbury – North Canterbury, Christchurch, Mid-Canterbury
- South Canterbury – Timaru, Temuka-Pleasant Point, Mackenzie-Geraldine, Waimate
- Otago – Waitaki, Central Otago, Clutha, Dunedin north, Dunedin south
- Southland – Queenstown-Lakes, Southland, Gore, Invercargill.

Crown Health Financing Agency This agency is the Crown provider of long-term debt finance to DHBs. The range of loan facilities available to DHBs is similar to that offered by private banks. Agency loans are available to refinance boards' private bank debt, or to finance new capital work projects.

The agency offers property advice and a land disposal service to help DHBs dispose of surplus property. Formerly the Residual Health Management Unit, the agency operates under provisions of the New Zealand Public Health and Disability Act 2000.

Health advisory committees

Health advisory committees provide advice to the Minister of Health and the Ministry of Health on their area of expertise. The committees include:

Advisory Committee on Assisted Reproductive Technology This committee is established under the Human Assisted Reproductive Technology Act 2004. It is responsible for issuing guidelines and advice to the Ethics Committee on Assisted Reproductive Technology (see over page), provides advice to the minister on options for regulating assisted reproductive procedures and research, and monitors its use in New Zealand. The committee's website is: www.acart.health.govt.nz.

Cancer Control Council The council is an independent advisory body appointed by the minister. It is responsible for providing independent and expert advice to the Minister of Health and reporting on New Zealand's performance in providing cancer care and on progress with the New Zealand Cancer Control Strategy. The council provides advice in seven main areas: prevention, screening and early diagnosis of common cancers, diagnostic and treatment services for cancer patients, workforce requirements for cancer services, equity of access to cancer services, cancer data and information, high-quality cancer research.

Child and Youth Mortality Review Committee This is an independent ministerial committee that reviews the deaths of children and young people aged from four weeks to 24 years. The committee reports to the minister, at least annually, on how to reduce the number of preventable deaths in this age group. It has a two-tiered approach to the review of deaths – local and national. Local review occurs in the community where deaths occur, so that local systems can improve. Local data is provided for national review, which results in recommendations for system improvement nationally. The website is: www.cymrc.health.govt.nz.

Family Violence Death Review Committee This committee was established by the Minister of Health in 2008 to provide a comprehensive review of deaths due to family violence. The committee aims to use the knowledge gained to improve systems to reduce family violence. The committee's first report was released in late 2009. The website is: www.fvdr.health.govt.nz.

Health Information Strategy Advisory Committee (HISAC) This is a discretionary advisory committee, established under section 11 of the New Zealand Public Health and Disability Act 2000. It provides the minister with advice on a national framework for health information systems and the development of health information standards. HISAC is becoming the inaugural National Health IT Board.

National Advisory Committee on Health and Disability (National Health Committee) This committee provides the Minister of Health with independent advice on a broad spectrum of health and disability issues. The website is: www.nhc.health.govt.nz. The Public Health Advisory Committee, a subcommittee of the National Health Committee, provides the minister with independent advice on public health issues.

National Ethics Advisory Committee Kahui Matatika o te Motu – This committee is an independent adviser to the minister. Its statutory functions, under section 16 of the New Zealand Public Health and Disability Act 2000, include advising the minister on ethical issues of national significance for any health and disability matters, and determining nationally consistent ethical standards across the health sector. The website is: www.neac.health.govt.nz.

Perinatal and Maternity Mortality Review Committee This committee was established in 2005 under the New Zealand Public Health and Disability Act 2000, to review perinatal and maternal deaths and report to the minister. The committee aims to reduce the number of deaths, and to encourage continuous quality improvement by promoting quality assurance programmes. The website is: www.pmmrc.health.govt.nz.

Quality Improvement Committee Since the beginning of 2007, the National Health Epidemiology and Quality Assurance Committee has been operating as the Quality Improvement Committee. This statutory committee is independent and reports directly to the minister on matters relating to quality in health care. The website is: www.qic.health.govt.nz.

Radiation Protection Advisory Council The council is a statutory body established under the Radiation Protection Act 1965 to advise and make recommendations to the minister and to the director-general of health about the use of ionizing radiations.

Health ethics review committees

Health ethics review committees provide independent ethical review in their areas of responsibility. The committees include:

Ethics Committee on Assisted Reproductive Technology The committee's main function is to consider and determine applications for assisted reproductive procedures or human reproductive research. The website is: www.ecart.health.govt.nz.

Health and Disability Ethics Committee This consists of six regional ethics committees, which provide independent ethical review of health and disability research and innovative practice to be conducted in New Zealand. This is done to safeguard the rights, health, and well-being of consumers and research participants. The website is: www.ethicscommittees.health.govt.nz.

New Zealand Blood Service

The New Zealand Blood Service is a Crown entity that ensures the supply of safe blood and blood products. It is also responsible for all aspects of the national blood transfusion service. In addition to its core activities, the service provides related services, such as tissue banking. The website is: www.nzblood.co.nz.

Health research

Health Research Council of New Zealand (HRC) The HRC was established under the Health Research Council Act 1990, and is the Crown agency responsible for managing the government's investment in public-good health research in New Zealand.

HRC ownership resides with the Minister of Health. The HRC is also responsible for advising the Ministry of Health and administering funds for national health research policy. The HRC's statutory functions include fostering recruitment, education, training, and the retention of health researchers in New Zealand.

The HRC aims to benefit New Zealanders through health research. The HRC funds a broad spectrum of health research, including biomedical, public health, Māori and Pacific peoples' health, and clinical research. HRC funding comes largely through the Vote Research, Science, and Technology allocation, with funding for ethics policy advice coming from the Vote Health allocation. Total government funding for the HRC's work in 2007/08 was \$70.21 million.

Malaghan Institute of Medical Research Established in Wellington in 1979 as an independent medical research institute, the Malaghan Institute is a charitable trust dedicated to the relief of human suffering through scientific research into the causes, nature, and treatment of disease. The institute was renamed in 1986 to recognise the contribution of Len and Ann Malaghan.

More than 80 scientists and support staff are currently working at the institute to find better treatments and cures for cancer, asthma, arthritis, multiple sclerosis, and infectious diseases, including tuberculosis and RSV (a respiratory infection most serious in children aged under 12 months).

Healthy Homework boosts activity and changes diet

Image removed due to copyright issues

Herald on Sunday

Maria Veronese and daughter Stella Clark are engaged with the Healthy Homework programme, which encourages healthy eating and physical activity.

A homework programme that encourages children to be active and eat well at home was piloted by AUT University in 2009. It's a new approach to addressing the increase in serious yet avoidable health disorders such as obesity and type II diabetes.

Physical activity and good nutrition in children are key priorities for New Zealand's health and education sectors.

"While most health promotion interventions in young people focus on the school setting, evidence suggests that children are less active and have greater access to energy-dense foods outside school," Dr Scott Duncan, from AUT's Centre for Physical Activity and Nutrition Research, said.

"Healthy Homework is a novel initiative that teaches children the benefits of being active and eating well as a family."

The preliminary study had promising results. The programme increased children's activity by 18 percent during the week and 30 percent over the weekend.

Children ate 22 percent less junk food, and consumed 20 percent fewer 'unhealthy' drinks.

Funded by a Health Research Council grant, Healthy Homework is a six-week homework module accompanied by in-class teaching.

Each week the children must complete at least one of three physical activity options and one of three nutrition options given to them in homework booklets. The emphasis is on 'doing' – by combining information with practical tasks such as active games, simple exercises, and healthy cooking activities.

As with conventional homework, students must complete the tasks and report back to their teacher.

Children receive coloured wristbands for completing their tasks each week. A final wrap-up session, where children talk about their favourite parts of the Healthy Homework programme, finishes the course.

After being part of the programme, children were more aware of what they were eating and of opportunities for activity. Teachers said the children wanted to continue the activities.

Six classes of children aged 9–11 years from two Auckland schools participated in the pilot. Further funding is being sought to offer the programme more widely around New Zealand.

Source: AUT University

The institute is committed to educating, fostering, and developing scientists, which it regards as essential to the continuing success of scientific research in New Zealand. To that end, the institute sponsors programmes for doctoral candidates and summer internships for university students.

The Malaghan Institute is funded by contestable research grants, contributions from corporate sponsors, bequests, and donations.

Health expenditure (public)

As shown in table 8.01, public health expenditure (this includes expenditure on public health by the Ministry of Health, Accident Compensation Corporation, other government departments, and local authorities) in New Zealand was \$12,840 million in 2006/07, the latest year for which figures are available. Expenditure by the Ministry of Health (\$10,959 million) represented 19 percent of estimated appropriations for government for the year ending 30 June 2007.

Table 8.01

Health expenditure ^(a)										
Year ending 30 June										
Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
\$(million)										
Public										
Ministry of Health	7,214	7,656	7,869	8,185	8,684	8,927	9,281	9,926	10,508	10,959
ACC and other gov't	817	906	1,022	1,210	1,337	1,498	1,401	1,638	1,580	1,775
Local authorities	57	73	73	75	77	82	69	66	84	106
	8,088	8,635	8,964	9,470	10,099	10,507	10,751	11,630	12,172	12,840
Private										
Household	1,595	1,613	1,652	1,929	1,943	1,945	2,351	2,496	2,603	2,424
Insurance	624	646	674	711	694	716	733	738	777	794
Not for profit	33	37	38	38	38	41	101	156	146	163
	2,252	2,296	2,364	2,678	2,675	2,701	3,185	3,390	3,526	3,380
Total	10,340	10,932	11,329	12,148	12,774	13,208	13,937	15,020	15,698	16,220

(a) Real dollars have been adjusted to 2007 dollar value by CPI.

Note: Figures may not sum to stated totals, due to rounding.

Source: Ministry of Health

Regulation of health service professionals

There are approximately 87,000 registered health professionals who are regulated under the Health Practitioners Competence Assurance Act 2003. Currently, there are 16 responsible authorities that represent 21 health professions.

The purpose of the Act The Act protects the health and safety of the public by providing ways to ensure health practitioners are competent and fit to practise their professions. The Act is largely based on title certification rather than licensing of activity. It prohibits those who are not registered as health practitioners of a profession from claiming to be, or implying they are, practitioners of that profession.

Responsible authorities Under the Act, authorities are established to be responsible for overseeing practitioners of a particular profession or professions. Each authority must describe its profession(s) in terms of one or more scopes of practice, and prescribe qualifications for each one. Health practitioners must work within their scope of practice when performing a health service that is part of their profession. Authorities also register practitioners and issue annual practising certificates. Registered practitioners must have the prescribed qualifications, be competent to practise within their scope, and meet certain requirements to be fit for registration. An authority must not issue an annual practising certificate unless it is satisfied the practitioner is competent.

Director-general of health's review The director-general of health recently reviewed the Act's operation. It was generally felt that the Act was operating as intended. Half its recommendations translated into the Health Practitioners Competence Assurance Amendment Bill. A policy review of the Act is due in 2012. This review will include a substantive examination and evaluation of the principles of the Act.

Doctors The Medical Council of New Zealand is a statutory body, with the primary purpose of protecting public health and safety by ensuring that doctors are competent and fit to practise medicine. Registration of a doctor by the council is evidence that a doctor has met a certain standard. In addition to registration, the council has responsibilities for doctor education, standards, conduct, and health.

The council's main functions are:

- registration – the council registers all doctors working in New Zealand. Doctors who complete medical training outside New Zealand, Australia, the United Kingdom, or Ireland must show they hold a prescribed qualification for registration (in some cases they must pass a registration examination) before registration is granted. Doctors with recognised postgraduate qualifications and training are registered in recognised vocational scopes of practice (and are sometimes called specialists).

Image removed due to copyright issues

Otago Daily Times

Oamaru dental technician Ken Scott had been in the business for 50 years by 2009. When he first starting practising, most people had at least one denture by the time they were age 27. Now they are much, much older because of better dental care. In 2009, 236 dental technicians were registered and practising.

- medical education – involves accreditation of New Zealand medical schools, courses, and curriculums by the Australian Medical Council. The council approves ‘runs’ in hospitals that are suitable for the education, training, and experience of interns in their first postgraduate year, to qualify for registration in a general scope of practice. The council also promotes vocational training and continuing medical education in New Zealand, and accredits societies and colleges responsible for postgraduate or higher training.
- health – the council manages the rehabilitation and continued monitoring of doctors who, because of some mental or physical health problem, may not be fit to practise for a period.
- professional standards – legislation allows the council to review the competence or performance of doctors and to implement remediation as appropriate. If necessary, this includes imposing conditions on annual practising certificates or registration. The council also ensures doctors maintain their competence to practise by recertification through clinical audit, peer review, and continuing medical education.

Complaints about doctors are received by either the Medical Council or the health and disability commissioner (HDC), but all complaints must be referred to the HDC. The HDC may refer complaints back to the council. The council must assess the complaint promptly and consider what action should be taken, including referral to a professional conduct committee. Under the Health and Disability Commissioner Act 1994, the HDC must notify the Medical Council of any investigation directly involving a doctor.

There were 12,493 practising doctors at 30 June 2009.

Oral health practitioners The Dental Council of New Zealand is established under the Health Practitioners Competence Assurance Act 2003. It regulates all oral health practitioners. The council’s primary purpose is to protect the public and promote good dental practice by carrying out its statutory responsibilities in relation to the registration, competence, conduct, health, and education of registered oral health practitioners.

Oral health practitioners include dentists, clinical dental technicians, dental technicians, dental therapists, and dental hygienists. The Dental Council has four committees, or professional boards, to manage practitioner registration and liaise with educational establishments on training and examination requirements.

The council issues annual practising certificates, which certify that the practitioner is competent and fit to practise. Where public safety issues arise, the council may appoint a competence review committee consisting of two of the practitioner’s peers and a layperson. The review aims to ensure practitioners are practising at the required standard and may require them to undertake further education or assessment.

There are two main training providers for oral health practitioners in New Zealand. The University of Otago offers degree programmes for dentists, dental technicians, clinical dental technicians, dental therapists, and dental hygienists. The Auckland University of Technology offers a degree programme for dental therapists and dental hygienists, and a pre-degree certificate in dental assisting.

The health and disability commissioner (HDC) is the initial recipient of complaints about oral health practitioners. The HDC may refer a complaint back to the council under section 34(1)(a) of the Health and Disability Commissioner Act 1994. The council will assess the complaint and decide what action, if any, to take – options available include whether to review the practitioner's competence or fitness to practise, to refer the complaint for investigation by a professional conduct committee, establish an individual recertification programme, or send an educational letter to the practitioner concerned.

Disciplining oral health practitioners is carried out by the Health Practitioners Disciplinary Tribunal, which can impose penalties ranging from fines to suspension or cancellation of a practitioner's registration.

At 31 March 2009, the following numbers of oral health practitioners were registered and practising: 1,976 dentists, 163 clinical dental technicians, 236 dental technicians, 670 dental therapists, and 403 dental hygienists.

Nurses The Nursing Council of New Zealand is the authority responsible for regulating the practice of nurses in New Zealand. Its purpose is protecting the health and safety of the public.

The council registers nurses; sets minimum standards for registration; issues practising certificates; sets standards for, approves, and monitors nursing programmes at educational institutions; conducts examinations; ensures maintenance of professional standards and continuing competence of nurses; assesses, investigates, and prosecutes complaints about nurses; and deals with health issues that affect a nurse's ability to practise.

The council aims to act in a manner that is proactive and responsive to relevant national and international trends that influence the practice of nursing. At 31 March 2009, 45,965 New Zealand nurses held practising certificates.

Midwives The Midwifery Council is concerned with the registration and education of midwives, setting standards for practice, issuing practising certificates, and ensuring midwives maintain competence. It has a role in addressing the health, competence, and conduct of midwives.

A direct entry, extended three-year Bachelor of Midwifery programme is offered by four providers in New Zealand. Students must complete the programme, pass a national examination set by the Midwifery Council, and meet required standards (to be fit to practise and be competent) for entry to the register before being registered. Overseas-qualified midwives can be registered in New Zealand provided their pre-registration programme and post-registration experience have provided them with skills and knowledge equivalent to that of New Zealand midwifery graduates.

All midwives wishing to hold practising certificates must engage in a recertification programme in each three-year period, to maintain competence. This requires them to complete compulsory and elective clinical and theoretical courses, and engage in professional development.

At 1 April 2009, there were approximately 13,700 registered midwives, with approximately 2,600 holding practising certificates.

Psychologists The Psychologists Board promotes education and training in the profession, and reviews and promotes the competency of registered psychologists. It sets standards of clinical and cultural competence and ethical conduct. Maintaining an accurate register of psychologists is one of the board's key responsibilities. The board also investigates complaints against psychologists. At 31 March 2009, there were 1,876 psychologists holding annual practising certificates, up 50 from 2008.

Physiotherapists The Physiotherapy Board protects the public's health and safety by ensuring physiotherapists are competent and fit to practise. It sets the standards for clinical and cultural competence and ethical conduct that physiotherapists must observe. The board is concerned with physiotherapists' education and registration, and with programmes to ensure their ongoing competence. At 31 March 2009, 4,016 physiotherapists held annual practising certificates.

Occupational therapists The Occupational Therapy Board of New Zealand is responsible for registering and overseeing occupational therapy practitioners. Three-year, full-time degree courses for occupational therapists are available at Auckland University of Technology, Otago Polytechnic, and WINTEC in Hamilton. At 31 March 2009, there were 2,050 registered occupational therapists holding current practising certificates.

Dietitians The Dietitians Board prescribes qualifications, accredits programmes and institutions, and oversees and registers dietitians. A 15-month postgraduate training course for dietitians is conducted at the University of Otago – the prerequisite is a three-year Bachelor of Science in human nutrition or a Bachelor of Consumer and Applied Science from the University of Otago. At 23 October 2009, there were 516 registered dietitians holding annual practising certificates.

Optometrists and dispensing opticians The Optometrists and Dispensing Opticians Board is concerned with the registration and conduct of optometrists and dispensing opticians. Optometrists are trained at the University of Auckland in a five-year, full-time degree course. Dispensing opticians are trained through a two-and-a-half-year correspondence course. At 28 October 2009, there were 840 registered optometrists, with 645 holding annual practising certificates. There were also 224 registered dispensing opticians, with 185 holding annual practising certificates.

Working together for disabled Pacific people

Pacific people have historically been low users of disability support services. Attempts over recent years to improve their access to, and use of, these services have been limited. This is partly due to a lack of information about culturally responsive and appropriate disability services for Pacific people, but also to insufficient planning and funding to drive continued improvement.

Lu'i Ola is an interagency project in the Auckland region that aims to better serve the needs of Pacific people with disabilities, their families (aiga), and caregivers. The initiative is co-sponsored by the Ministry of Health and the Ministry of Pacific Island Affairs and is endorsed by 11 local and regional government agencies.

There are four key focus areas:

Access – the Mangere Access Pilot Project aims to minimise the need for Pacific people with disabilities to repeat their stories to different government agencies, and to establish a way for clients to access several different agencies easily.

Workforce development – the Workforce Project aims to ensure people at participating government agencies are culturally competent to work with Pacific people with disabilities.

Community engagement – the communications campaign aims to build greater awareness of disability and knowledge of the services available for:

- Pacific people with disabilities
- Pacific families (aiga) and carers of those with disabilities
- Pacific church and community leaders
- service providers and agencies.

This campaign also promotes ways of thinking positively about disability, and challenges negative traditional beliefs and cultures relating to disability.

Provider development – the Provider Development Project aims to ensure Pacific service providers are competently providing services needed by those with disabilities.

The *Lu'i Ola Strategic Framework for Action 2009–13* was signed off in July 2009. The new plan focuses on three key new innovations, which cover the following priorities:

- leadership – develop leadership in the Pacific disability sector
- community action – support regional initiatives and events that are community-based, to help shift community behaviour and attitudes on disability
- research – support research on Pacific people's disabilities.

When government agencies work together, more cohesive, responsive, and accessible services are achievable.

Source: Ministry of Health

Podiatrists The Podiatrists Board registers qualified podiatrists and sets standards for education through audit and accreditation, and for professional competence through its recertification framework programme. The Auckland University of Technology offers a three-year Bachelor of Health Science (Podiatry) degree, which is the only New Zealand qualification recognised for registration. The board issues annual practising certificates and acts on complaints against members of the profession. At 23 October 2009, 299 registered podiatrists held annual practising certificates.

Chiropractors The Chiropractic Board is concerned with the registration, education, and professional conduct of registered chiropractors. The board also issues annual practising certificates and acts on complaints against members of the profession. At 27 October 2009, there were 917 registered chiropractors, with 384 holding an annual practising certificate.

Pharmacists The Pharmacy Council of New Zealand is responsible for pharmacists' registration, competence, and fitness to practise. Entry to the pharmacy profession is gained through a four-year degree course at either the University of Auckland or the University of Otago, followed by one year's practical training as an intern pharmacist. New Zealand and Australia recognise each other's pharmacy qualifications. Other routes of entry are available for pharmacists with qualifications gained in other countries. At 30 June 2009, there were 4,093 registered pharmacists; 3,076 held an annual practising certificate.

Medical radiation technologists The Medical Radiation Technologists Board is concerned with registration, education, and the conduct of people practising medical radiation technology.

There are five scopes of practice of medical radiation technology: diagnostic imaging general, radiation therapy, nuclear medicine, ultrasound imaging, and magnetic resonance imaging. The first two require undergraduate degrees, while the other three require postgraduate qualifications.

Students study diagnostic imaging general at UNITEC in Auckland, the Universal College of Learning, or the Christchurch Polytechnic Institute of Technology. Those studying radiation therapy undertake a three-year course at the University of Otago's Wellington School of Medicine and Health Sciences.

At 31 March 2009, 2,264 medical radiation technologists held annual practising certificates. Excluding those in training, the number in each scope of practice was as follows: diagnostic imaging general, 1,546 people; magnetic resonance imaging, 77; nuclear medicine, 50; radiation therapy, 281; and ultrasound, 310 people.

Medical laboratory scientists and technicians The Medical Laboratory Science Board deals with the training, registration, and conduct of people who practise medical laboratory science. It has approved two scopes of practice – medical laboratory scientists and medical laboratory technicians.

The University of Otago, Massey University, and Auckland University of Technology offer a Bachelor of Medical Laboratory Science degree. The board has also approved a graduate diploma route to registration as a medical laboratory scientist. The New Zealand Institute of Medical Laboratory Science offers three qualifications leading to registration as a medical laboratory

Image removed due to copyright issues

The Aucklander

Mary Anne Penberthy (left) is a midwife who works with Rita Harder at West Fono Health Trust in Henderson. West Fono provides a drop-in centre for Pacific women wanting maternity care as well as GP and other specialised services. More than 90 percent of the centre's patients are Pacific peoples, with 50 percent being Samoan.

technician – the Qualified Medical Laboratory Technician certificate, the Qualified Phlebotomy Technician certificate, and the Qualified Donor Technician certificate.

At 31 March 2009, there were 1,621 registered medical laboratory scientists and 1,408 registered medical laboratory technicians.

Osteopaths The Osteopathic Council registers and issues annual practising certificates to osteopaths who are competent and fit to practise, under the Health Practitioners Competence Assurance Act 2003. Osteopaths must complete a Master of Osteopathy degree from Unitec in Auckland, or hold an approved overseas qualification and pass the council's entry examination, to be eligible for registration. Australian-registered osteopaths may register in New Zealand under the Trans-Tasman Mutual Recognition Act 1997. There were 350 registered osteopaths with current practising certificates at 31 March 2009.

Health service benefits and subsidies

The Ministry of Health, DHBs, health professionals, government, and non-government agencies all promote the good health of New Zealanders and their families.

Primary health care Nearly all New Zealanders are registered with a general practice that is part of a primary health organisation (PHO). Funding is based on the demographics of a PHO's population, rather than a payment for each service. General practitioners (GPs), as private businesses, set their own fees.

As well as funding for general practice services, the government invests additional funding for children under six years of age, people with high needs, health promotion, and high users of primary health-care services.

Where people receive care from a GP who is outside a PHO, previous subsidies still apply. Subsidies for all children under six years are \$35. For people who qualify for a community services card or a high-use health card the subsidy for an adult is \$15, and for a child aged six and over it is \$20. Children aged six and over without a card are subsidised \$15, while adults without a card receive no subsidy. Influenza vaccines for high-need adults and childhood immunisations are free.

Hospital treatment In-patient, outpatient, and day treatment in New Zealand public hospitals is free to all people eligible for publicly funded health services. Services related to public hospital treatment, such as pharmaceuticals and x-rays, are also free, as are in-patient, outpatient, and day treatment in public psychiatric hospitals. Mental health services, including pharmaceuticals, are free to day patients or outpatients, including those who are patients of community mental health teams on community treatment orders.

Pharmaceutical benefits All people eligible for publicly funded health services are entitled to a wide range of medicines, approved appliances, and materials included in the pharmaceutical schedule. In most cases they pay only \$3 for subsidised medicines. All prescriptions from a public hospital, a GP, a midwife, and a family planning clinic are included in the \$3 payment policy.

The Pharmaceutical Subsidy Card allows the cardholder and named family members to pay a lower amount on government prescription charges. The pharmacist will issue a card once a family unit has paid for 20 subsidised prescription items since 1 February of any year. The card's purpose is to help people who face high prescription costs but who do not have a community services or high-use health card.

Maternity services Eligible women in New Zealand receive free pregnancy, childbirth, and postnatal care from a lead maternity carer (GP, midwife, or obstetrician). The lead carer provides or coordinates care through pregnancy, labour, birth, and for six weeks after birth. If clinical reasons require involvement of a specialist obstetrician, the service is available free from public hospitals.

A significant number of births take place in hospitals, but midwives may provide care to women who choose to have their babies at home. All hospitals are certified under the Health and Disability Services (Safety) Act 2001 and are required to be compliant with the Health and Disability Service Standards 2008.

Home nursing and home help Home nursing is a free service when provided by a registered nurse employed by a DHB or an approved organisation. DHBs also provide home help to older people or families with young children as one of the services aimed at reducing the need for hospital or residential home care, and as a temporary follow-up to hospital care.

Equipment and modification services Equipment available includes hearing aids and other equipment that improves communication; mobility aids (wheelchairs and other aids); and equipment that assists daily living, such as shower chairs. Funding is available for housing and vehicle modifications, and there may be limited assistance with purchasing a vehicle.

Sector Services Sector Services provides customer-focused activities that help the Ministry of Health and the health system deliver care. Support is given through administration and monitoring service agreements, administering payments and subsidies, and providing information from national data collections. Sector Services processes around \$6.4 billion in payments each year – approximately 111 million items.

Table 8.02

Subsidised prescriptions		
Year ending 30 June		
Year	Number of prescriptions	Government expenditure ⁽¹⁾ \$(million)
2000	21,742,171	517
2001	21,484,187	516
2002	21,943,895	504
2003	22,337,364	510
2004	24,272,384	534
2005	26,941,947	565
2006	28,550,543	564
2007	31,923,044	599
2008	33,984,668	635
2009	35,361,164	653

(1) Drug expenditure is ex-manufacturer. Expenditure figures exclude distribution and dispensing costs. Any payments by patients have not been deducted. Figures exclude GST and are not adjusted for inflation.

Source: PHARMAC

Sector Services administers contracts between health service funders and health professionals, and the resulting payments – which apply to all primary care-based transactions that are subsidised by the government (such as visits to a GP and disability services). Sector Services is also responsible for comprehensive clinical coding of health information, and collecting and managing health information data for the national collections.

PHARMAC A Crown entity reporting to the Minister of Health, PHARMAC's main role is to manage New Zealand's Pharmaceutical Schedule – the list of more than 2,000 subsidised prescription drugs and related products – and to manage expenditure on prescription medicines on behalf of DHBs, which hold the funding. The schedule, which is updated monthly, records the price of each drug, the subsidy it receives from public funds, and the guidelines or conditions under which it is subsidised. In 2008/09, eight new medicines were added to the schedule, compared with five in 2007/08.

DHBs spent \$653 million on pharmaceuticals (drug cost ex-manufacturer) in the year ending 30 June 2009, up \$18 million (2.8 percent) on the previous year. In the same period, the number of prescriptions grew 4.1 percent. This controlled increase in spending reflects PHARMAC's ability to negotiate lower prices, which offsets volume growth and spending on new pharmaceuticals.

PHARMAC also promotes the optimal use of prescription medicines and manages the purchasing of some pharmaceuticals used in hospitals. It is also able to engage in research.

Public health

Public health services focus on populations rather than individuals, but also include services provided to individuals that require population-wide planning or have broader population health goals. Public health services account for 1.9 percent of health services funded through the Vote Health allocation.

The Ministry of Health provides policy and strategic advice on public health issues and services, monitors the state of health of the population, develops and enforces public health legislation, develops public health strategies, prepares for and responds to public health emergencies, and plans and funds public health services. Twelve public health units based in DHBs provide health promotion, health protection, and disease prevention services to the 21 districts they serve.

Public health activities are also carried out by local authorities, who have a key role in improving, promoting, and protecting public health. Around 200 non-government providers also provide complementary public health services at national, regional, and local levels.

Safe drinking water

The Health Act 1956 was amended in October 2007 to regulate the safety of drinking water supplies. The Act requires all water suppliers to produce and implement water safety plans (called

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The Dominion Post

Phoenix football player Daniel Cortes wins as blood is taken for swine flu research by Kelly Bennett. Team members were tested as part of a Ministry of Health study to find out how many New Zealanders had been exposed to the H1N1 flu virus, even if they had no symptoms. Results helped to plan for an expected second wave of swine flu in 2010. Virologist Dr Sue Huang said maybe 15 percent of New Zealand's population had been exposed to the virus. More than 3,000 cases were confirmed during the pandemic's peak in 2009, but the actual figure was likely to be much higher; 20 people died.

public health risk management plans) for their supplies. It also requires water suppliers to take all practicable steps to comply with the drinking water standards for New Zealand.

The *Register of Community Drinking Water Supplies in New Zealand* lists community drinking water supplies that serve 25 or more people for 60 or more days a year. The register provides grading information and whether any chemical contaminants are present at concentrations that could potentially be of public health significance.

Misuse of drugs

A wide range of drugs capable of being misused, including illegal drugs, some prescription drugs, and restricted substances, are controlled by the Misuse of Drugs Act 1975, the Misuse of Drugs Regulations 1977, and associated legislation. It is an offence to import or export, manufacture, supply or offer to supply, possess, or use controlled drugs unless authorised under the Act. Illegal dealing in any class of controlled drug is subject to penalties varying from fines to imprisonment.

Controlled drugs are divided into three schedules, or classes, depending on their assessed level of harm. A committee of experts assesses the relative risk of various drugs and makes classification recommendations to the Minister of Health.

Heavier penalties are provided for offences involving Class A (very high risk) drugs, such as heroin, cocaine, and methamphetamine. Penalties for Class B (high risk) and Class C (moderate risk) drugs are progressively lighter. Cannabis plants, fruit, and seeds are Class C controlled drugs. Substances manufactured from cannabis plants are Class B. Benzylpiperazine, the main active ingredient in most previously legal 'party pills', was reclassified from a restricted substance to a Class C controlled drug in April 2008. Many Class B and C drugs, such as morphine and pethidine, are legitimately used for medical and scientific purposes.

A review of the Misuse of Drugs Act 1975 is being undertaken by the Law Commission and was expected to report in 2010.

National Drug Policy The *National Drug Policy 2007–2012* (2007) sets out the Government's policy for tobacco, alcohol, illegal drugs, and other drugs, within a single framework. The overarching principle is 'harm minimisation', which involves a coordinated set of initiatives across government agencies under a three-pronged approach:

- supply control – limiting availability of drugs through, for example, legislation and law enforcement
- demand reduction – reducing the desire to use drugs through initiatives such as education programmes
- problem limitation – mitigating harm from drugs through treatment services.

Other principles include: evidence-informed policy, whole-of-government approach, partnerships with non-government interested parties, and reducing inequalities. The policy, led by the Ministry of Health, provides a basis for priority setting, decision making across the sector, and strategic alignment. More information is available online (www.ndp.govt.nz).

National Drug Intelligence Bureau To ensure that drug policy is based on sound information, the New Zealand Police, New Zealand Customs Service, and the Ministry of Health have maintained the National Drug Intelligence Bureau since 1972.

Figure 8.01

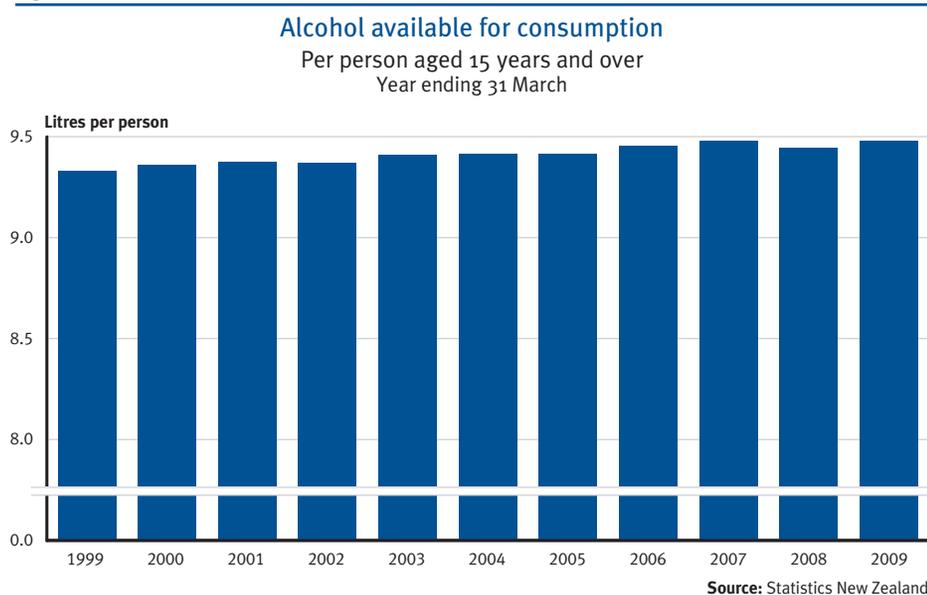


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The Dominion Post

Wine workers Sarah Wilkins and Paul Mason check a rosé wine to be served at Toast Martinborough in November 2009. Survey results from 2007/08 showed that more than 85 percent of people aged 16–64 years had consumed alcohol over the previous year.

Alcohol

Alcohol is a commonly used recreational drug in New Zealand, with the 2007/08 survey results showing 85.2 percent of people aged 16–64 years had consumed alcoholic beverages in the last 12 months. The misuse of alcohol by some people results in considerable health, social, and economic costs to individuals, families, and the wider community.

The social cost of alcohol misuse in New Zealand was estimated at \$4,437 million for 2005/06. Ministry of Transport figures indicate that alcohol and other drugs were a contributing factor in about 31 percent of fatal road accidents and 14 percent of injury accidents in 2007. The Police report at least one-third of all offenders apprehended in 2007/08 had consumed alcoholic beverages before their arrest.

It is estimated that every year over 22,000 individuals receive treatment from the publicly funded health system for problem use of alcohol or other drugs. About 3.6 percent of New Zealanders aged 16–64 report they have received help to reduce their level of alcohol use at some stage during their lifetime.

Alcohol use in the general population In 2007/08, three in five (61.6 percent) of those who drank alcohol in the past year had consumed a large amount on at least one occasion, with one in eight (12.6 percent) drinking a large amount at least weekly.

The 2006/07 New Zealand Alcohol and Drug Use survey found one in four past-year drinkers aged 16–65 years (23.5 percent) had a potentially hazardous drinking pattern.

Priority populations Between 1996/97 and 2007/08, there has been an increasing prevalence of drinking alcohol in the previous 12 months for the Māori and Pacific ethnic groups. There is no longer a difference between prevalence rates for Māori and the total population. Rates for Pacific people are still much lower than for the total population (61 percent of Pacific peoples consumed alcohol in the previous year compared with 87 percent for non-Pacific people). For those who do drink, Māori and Pacific people are significantly more likely to have potentially hazardous drinking patterns, compared with the total population.

A 2007 survey of New Zealand secondary school students found 71.6 percent had drunk alcohol in the previous four weeks, and one in three (34.4 percent) reported an episode of binge drinking.

Alcohol regulation Recognising the potential for harm, the sale and supply of alcohol is regulated under the Sale of Liquor Act 1989. In 2008, the Law Commission embarked on the first major review of liquor legislation for over 20 years – its recommendations were available in March 2010.

Alcohol-related initiatives Non-regulatory policies and programmes are also in place to reduce alcohol-related harm. These include: regular media campaigns to alert people to the dangers of drinking then driving; campaigns to encourage the responsible consumption of alcohol; advice that there is no safe level of alcohol use at any stage during pregnancy; funding of community action; and liquor bans in some areas to enhance public safety.

Tobacco

Smoking is the greatest single preventable cause of premature death in New Zealand. Each year about 5,000 New Zealanders die from cancers, cardiovascular disease, chronic obstructive pulmonary disease, and other diseases directly linked to smoking. There is also considerable evidence of harm to adults and children from exposure to second-hand smoke.

The prevalence of smoking in New Zealand is decreasing. The 2008 New Zealand Tobacco Use Survey results showed that 21 percent of people aged 15 years and over were current smokers. This is a large decline in smoking since 1990 (when 28 percent smoked) and 1983 (when 33 percent smoked). Among youth aged 15–19 years, 20.8 percent were current smokers in 2008, but half those in this age group had never tried smoking. In 2006, 39 percent of 15–19-year-olds smoked.

However, the prevalence of smoking among adult Māori and Pacific peoples remained high – 45.4 percent and 31.4 percent, respectively, in 2008. Māori women were the most likely to smoke (50 percent) and Asian women were the least likely to smoke (5 percent). People living in the most deprived neighbourhoods were 1.5 times more likely to be smokers than people living in the least deprived areas.

Note: the amount of tobacco available for consumption, per person, in New Zealand was relatively static between 2003 and 2008.

In 2009 the Government introduced ‘providing better help for smokers to quit’ as one of six health targets. One way to achieve this target is the three-step approach outlined in the New Zealand Smoking Cessation Guidelines 2007 – the ABC approach (see sidebar story, right).

Complementing the ABC approach are specialised stop-smoking services focused on Māori, Pacific, and Asian people, pregnant women, and youth. The government also funds the national Quitline service, which has about 45,000 enrolments a year with toll-free phone, text, and online access.

In September 2009, subsidised nicotine replacement therapy (NRT) became available on prescription as well as through special quit cards. NRT roughly doubles a person’s chance of quitting smoking when compared with attempts without using medication.

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Diversity essential to tackling smoking

Every day about 13 New Zealanders die from smoking-related illnesses: that’s about 5,000 people a year – five times more than the combined number of people who die from car accidents, drowning, and suicides.

Smoking is the leading cause of preventable death in New Zealand. Tackling smoking is one of the Government’s six health targets. However, there is no single simple solution.

Supporting smokers to quit and ensuring young people do not start require different policies and programmes, and dedicated people prepared to work with individuals, families, and communities.

The burden of tobacco use is disproportionately borne by Māori. More than 4 in every 10 adult Māori smoke, compared with just under 3 in 10 adult Pacific people and less than 2 in 10 other adult New Zealanders.

Policies, programmes, and people must focus on ensuring that support and messages work for Māori and Pacific people as well as for other New Zealanders. Even within ethnic populations there are many triggers that affect an individual’s ability to quit, or influence a person to start to smoke.

Providing for this diversity is key to ensuring successful tobacco control. Strategies include social marketing that aims to prevent people taking up smoking or supports them to quit, and specialist quitting services. Within the specialist services are a toll-free phone number, texting, and online service (Quitline), and face-to-face services for targeted groups of smokers such as Māori (Aukati Kai Paipa), Pacific peoples, or pregnant women. A youth service is being piloted.

The ‘ABC’ approach complements other services. It mobilises New Zealand’s 70,000 health professionals to work with their power to motivate patients to attempt to quit smoking.

ABC involves every health professional:

- Asking about smoking status
- offering Brief advice about quitting
- offering Cessation support.

Overall, the programmes aim to provide tobacco cessation services that are equitable and accessible, and work towards the best ‘quit smoking’ outcomes for targeted groups of smokers. Work also continues to build an environment that encourages young people to choose a healthy smokefree/auahi kore lifestyle.

Source: Ministry of Health

The New Zealand Herald

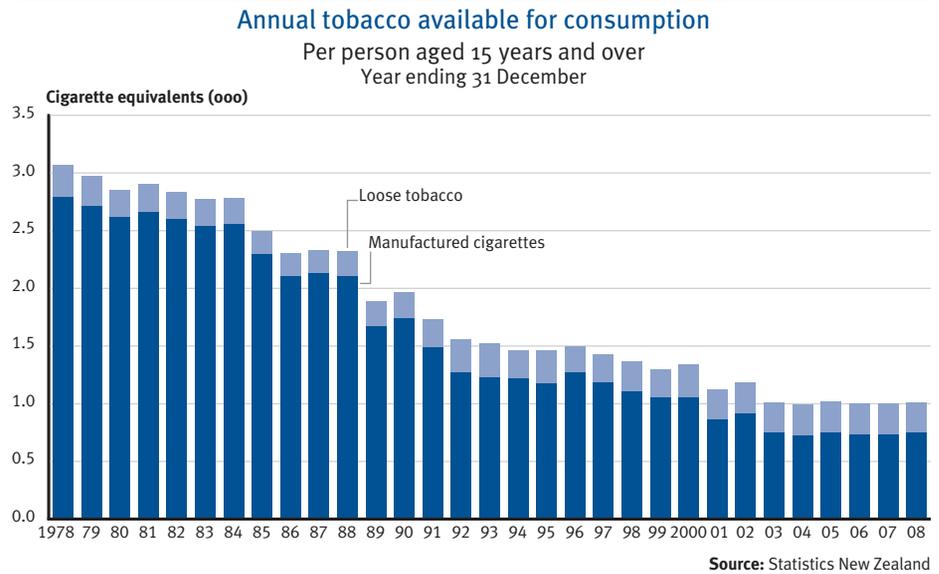
Auckland University’s Professor Bruce Arroll is also a GP who is motivated to help smokers quit before, not after, their health fails. Here he holds nicotine lozenges that are available over the counter to patients, but he also uses the ABC approach – asking all patients if they smoke, followed by brief advice about quitting, and cessation treatment options.

Table 8.03

Cigarette smoking status	
Usual residents aged 15 years and over 2006 Census	
Smoking status	Number of people
Regular smoker	597,792
Ex-smoker	637,293
Never smoked regularly	1,653,924
Response unidentifiable	106,347
Not stated	165,015
Total	3,160,371

Source: Statistics New Zealand

Figure 8.02



Communicable disease control

The Ministry of Health monitors the prevalence of communicable diseases, manages the national coordination of responses to disease outbreaks, and is responsible for the national immunisation schedule and the control of communicable diseases. The ministry is also responsible for policy development, making regulations known, and fulfilling new disease-reporting requirements, based on the International Health Regulations 2005.

Changes to the national immunisation schedule Immunisation provides protection from or resistance to infectious diseases. The Ministry of Health's National Immunisation Programme improves health by reducing diseases, such as hepatitis B, measles, and influenza, through vaccination.

The national immunisation schedule is the series of vaccines that are offered free to babies, children, and adolescents. Some vaccines are also provided for adults. The schedule is reviewed every three years to make sure New Zealanders receive safe and effective vaccines.

Pneumococcal vaccine for young babies was added to the schedule on 1 June 2008. The human papillomavirus (HPV) immunisation programme started in September 2008, with girls and young women born since 1 January 1990 being eligible to participate. From 2009, the HPV vaccine was added to the immunisation schedule for 12-year-old girls.

Routine meningococcal B immunisation has ended but the vaccine is still available free to people with a high medical risk.

Table 8.04

Recommended immunisation schedule from 1 June 2008	
Age	Disease protected against (vaccine name)
6 weeks ⁽¹⁾	diphtheria, tetanus, whooping cough, polio, hepatitis B, Haemophilus influenzae type b (Infanrix-hexa) pneumococcal (Prevenar)
3 months	diphtheria, tetanus, whooping cough, polio, hepatitis B, Haemophilus influenzae type b (Infanrix-hexa) pneumococcal (Prevenar)
5 months	diphtheria, tetanus, whooping cough, polio, hepatitis B, Haemophilus influenzae type b (Infanrix-hexa) pneumococcal (Prevenar)
15 months	Haemophilus influenzae type b (Hiberix) pneumococcal (Prevenar) measles, mumps, rubella (MMRII) ⁽²⁾
4 years	diphtheria, tetanus, whooping cough, polio (Infanrix-IPV) measles, mumps, rubella (MMRII) ⁽²⁾
11 years	diphtheria, tetanus, whooping cough (Boostrix)
12 years ⁽³⁾ girls only	human papillomavirus (Gardasil)
45 years	diphtheria, tetanus (ADT) ⁽⁴⁾
65 years	diphtheria, tetanus (ADT) ⁽⁴⁾ influenza ⁽⁵⁾ (Vaxigrip or Fluvax)

(1) Hepatitis B vaccine and hepatitis B immunoglobulin are also given at birth to babies of a mother who is a carrier of hepatitis B; BCG is offered to babies who will be living in households where there are recent immigrants from high risk countries, or people with current or past history of tuberculosis. (2) The rubella vaccine (as MMR vaccine) is available for susceptible women. (3) From 2009, three doses are given. A catch-up programme is available for girls and young women born from 1 January 1990. (4) Administration is not funded for these vaccines. (5) The influenza vaccine is also funded for people of all ages with certain chronic medical conditions.

Source: Ministry of Health

Food safety and quality

The New Zealand Food Safety Authority (NZFSA) protects and promotes public health by providing effective regulation of food produced and consumed in New Zealand, as well as imported and exported food-related products. Its role is to ensure that rules are science- and risk-based, and reflect New Zealand's needs.

NZFSA administers legislation that covers: food sold in New Zealand (both locally-produced and imported); primary production and processing of animal products and official assurances for food products destined for export; export of plant products; and the registration and use of agricultural compounds and veterinary medicines.

The authority's market access activities focus on negotiating conditions and certification requirements with countries importing New Zealand's animal and plant products. This includes managing bilateral agreements, trading partner relationships, and equivalency negotiations.

At a multilateral level, NZFSA works with international bodies such as the World Organisation for Animal Health, and the International Plant Protection Convention. These multinational groups of the World Trade Organization review international standards for trade in food and other agricultural products.

Under the Food Act 1981, NZFSA is responsible for developing food safety standards and for ensuring joint labelling and composition standards developed by Food Standards Australia New Zealand (FSANZ) meet New Zealand's needs.

NZFSA is also responsible for compliance and enforcement of food legislation and for investigating food complaints. The Ministry of Health manages communicable disease, including identifying food-borne illnesses.

Cancer control

Cancer is a major health issue for New Zealanders. Currently, about 17,000 New Zealanders develop cancer each year, while about 7,500 die as a result of cancer.

The *New Zealand Cancer Control Strategy* (2003) has two key objectives – to reduce the incidence and impact of cancer, and to reduce inequalities with respect to cancer.

The *New Zealand Cancer Control Strategy Action Plan 2005–10* was published in March 2005 and provided the initial framework for implementing the control strategy. Since the release of the plan, the national Cancer Control Programme has been established. This programme covers the Ministry of Health, DHBs, and the activity of regional cancer networks to implement the Government's priorities for cancer and the control strategy.

The Cancer Control Council, an independent advisory body appointed by the Minister of Health, sits alongside the national programme.

Services for older people

Most older people are fit and well, and live independent lives. However, with advancing age, people increasingly become high users of health and disability support services, such as home support and residential care. People now enter residential care at an older age, but with a higher level of dependency than in the past – the average age of entry in 2008/09 was 84 years.

In terms of government expenditure, the most significant services used specifically by older people are residential care; home-based support; assessment, treatment, and rehabilitation; and support for informal carers. Public expenditure on these services was approximately \$1.2 billion in 2008/09.

DHBs are responsible for planning and funding health and disability services for older people, except for environmental support services (equipment and home and vehicle modifications), which are directly funded by the Ministry of Health. In 2008/09, approximately 28,000 people were receiving aged residential care at any one time, at a total annual cost of approximately \$745.5 million. Approximately 23,300 of these residents were funded to a greater or lesser extent by DHBs, and approximately 4,700 residents funded themselves.

DHBs spent approximately \$179.0 million on home-based support services for older people in 2008/09. They also spent \$187.7 million on assessment, treatment, and rehabilitation services, and \$24.6 million on support services for informal carers of older people (carer support subsidy and respite care). DHBs spent approximately \$67.0 million on other aged care services.

In Budget 2009, the Government provided additional funding for aged care services, including \$18.0 million to improve the quality of supervision and nursing in residential care. This led to increases in the contract prices paid to providers – 4.5 percent for rest homes and dementia and 5.3 percent for hospital level care as at July 2009. The Government also committed funding for dedicated residential respite beds for older people (\$2.5 million in 2009/10 and \$5.0 million a year from 2010/11). Services for older people are to be directed at improving the continuity of care, and having a greater emphasis on community-based services – to support older people remaining at home with a good quality of life.

Campylobacter control leads the world

New Zealand used to have the world's highest rate of campylobacter infection, a very uncomfortable illness that can be caused by eating raw or undercooked poultry.

However, the New Zealand Food Safety Authority (NZFSA) says the rate has fallen significantly as a result of cutting-edge research and innovative control methods.

NZFSA's science director Steve Hathaway says New Zealand has a reputation for getting stuck in, and we have greatly reduced what is a serious problem world-wide. Scientists worked closely with the poultry industry to develop controls. "Other countries see there is a lot to learn from us," he said.

In 2006, the effects of major food-borne illnesses cost the country \$86 million in lost productivity – around 90 percent of this cost was due to campylobacter infection. In less than three years, the NZFSA's risk management strategy has led to a 50 percent reduction in campylobacter cases caused by food.

NZFSA is leading the development of standards to combat campylobacter infection in broiler chickens on behalf of the International Codex Committee on Food Hygiene, a food standards-setting body with 182 member countries. Sweden leads parallel work for salmonella, another bacterial infection often found in food.

When the combined international standard is finalised, in late 2010, all Codex countries will be able to use the guidelines and examples to control the effects of both bacteria in their poultry industries.

Source: New Zealand Food Safety Authority

Preventing suicide

Victim Support is playing a key role in a suicide prevention initiative with the Ministry of Health and Clinical Advisor Services Aotearoa (CASA).

Postvention (post-incident intervention), currently being trialled in five district health board areas, provides a grassroots safety net to follow a completed suicide.

The service aims to minimise the risks of suicide contagion. The initiative has three components: the initial response (provided by Victim Support), specialist counselling, and community postvention (provided by CASA). The work depends on the high degree of cooperation and collaboration that exists between the two organisations – so no one gets lost in the system.

Suicide can ripple into the wider community. When this happens, the risk of suicide contagion is extremely high – particularly for youth.

Victim Support has trained 104 bereavement support workers to use a suicide screening checklist. This tool assists the support worker to identify people at risk of suicide contagion.

Victim Support is ideally placed to provide an initial (crisis) response because they operate a 45-minute response service. They also know and understand the agency referral system. Support workers can identify those at risk and refer individuals or groups to the right specialist agency. This means support for those affected is put in place immediately.

In 2009, Victim Support worked with more than 600 people, by providing tangible assistance.

In one case a support worker was able to secure funds for a family to redecorate the scene of a suicide, so that younger family members felt less traumatised. While redecorating doesn't take away the pain of losing a loved one, it helped the younger children cope and therefore reduced some of their trauma. The support worker's presence helped them identify and remedy that need.

People who have been bereaved by suicide have an estimated four-fold increase in the risk of committing suicide. Victim Support is focused on this area because their work concerns both crime and trauma. People can often be wary of social services – Victim Support workers have the advantage of being representatives of the community in which they live.

The workers are a link between individuals in need and the agencies available to help – they provide a human face for what can appear to be an impersonal bureaucracy.

Source: Victim Support

Not-for-profit organisations

Not-for-profit organisations provide many different health services for New Zealanders. Some organisations are small and newly formed to look after a specific group of people in one community. Others are large, well-known organisations, established many years ago (eg St John's Ambulance). Some organisations, such as Diabetes New Zealand and the Royal New Zealand Foundation of the Blind also provide advocacy services.

Mental health

The Ministry of Health leads implementation of the National Mental Health Strategy contained in *Looking Forward* (1994) and *Moving Forward* (1997) and the most recent policy for mental health and addiction, *Te Tāhuhu – Improving Mental Health 2005–2015: The second New Zealand mental health and addiction plan*, released in June 2005.

Additional public funding allocated to implement the strategy – from \$465.0 million in 1997/98 to \$1,096.2 million in 2007/08 – has supported significant growth in services, 74 percent of which are community based, with in-patient services making up the remainder.

Te Tāhuhu sets out government policy and priorities for mental health and addiction for the 10 years to 2015. The policy uses promotion and prevention, and primary care and specialist services to achieve its goals.

Te Puawaiwhero: The second Māori mental health and addiction national strategic framework 2008–2015 reinforces current mental health and Māori health policy. *Te Puawaiwhero* concentrates on prioritised actions from *Te Kōkiri: The mental health and addiction action plan 2006–2015* (2006) to address the Māori population's mental health needs. These actions are matched with the most recent evidence from *Te Rau Hinengaro – the New Zealand Mental Health Survey*, a report launched in 2006.

Building on Strengths: A new approach to promoting mental health in New Zealand/Aotearoa (2002) outlines a national approach to mental health promotion. The Like Minds, Like Mine programme continues to counter stigma and discrimination, and promote social inclusion of people who experience mental illness. More information is available online (www.likeminds.org.nz).

Suicide

Suicidal behaviour is a significant and preventable public health issue in New Zealand. Every year approximately 500 people die by suicide and about 2,500 are admitted to hospital for more than 48 hours for intentional self-harm. The total suicide rate in 2007 was 11.0 deaths per 100,000 people. This is a significant decline since the late 1990s when the suicide rate peaked at 15.1 deaths per 100,000 people. In 2005, the total cost (economic and non-economic) of suicide and attempted suicide was estimated at \$1.4 billion.

Groups with the highest suicide rates are: males; Māori (as opposed to non-Māori); those aged 15–44 years; and people living in the most socio-economically deprived areas.

Because many factors contribute to suicide, no single initiative on its own is likely to make a significant difference, and there are no 'quick fixes'. Reducing the rate of suicide in New Zealand requires sustained action from different sectors over a long period of time.

In 2006, the Government released the *New Zealand Suicide Prevention Strategy 2006–2016*, which guides prevention efforts nationally. As a companion to the strategy, the *New Zealand Suicide Prevention Action Plan 2008–2012* (2008) outlines in more detail a programme of action to achieve the strategy's aims. The strategy is led and coordinated by the Ministry of Health, with input from many other government agencies that have a role in suicide prevention.

The Ministry of Health has a suicide prevention website (www.moh.govt.nz/suicideprevention).

Disability support services

The 2006 New Zealand Disability Survey estimates that 1 in 10 New Zealanders rely on some form of disability support to help them live their everyday life. While most support is provided by family, friends, and other people in the community, people with disabilities can also receive support through government agencies. In 2005/06, government agencies spent \$2.7 billion on long-term disability supports (supports that are required for more than six months). More than half the total expenditure on disability supports was through the Vote Health allocation, with other significant expenditure being through the Vote Social Development and Vote Education allocations, and through the Accident Compensation Corporation.

Within the Vote Health allocation for 2008/09, the Ministry of Health spent \$888 million on disability supports for people with long-term disabilities (mostly people aged under 65 years); while DHBs funded health services for people with disabilities, and disability supports for older people with disabilities and people with psychiatric disabilities.

In most cases, the support people receive is 'in-kind' support, although a small number receive direct funding that they can use to purchase some community support themselves. About 42.7 percent of Ministry of Health expenditure was on residential care. Other key areas of expenditure were environmental support services (12.4 percent), home support (11.3 percent),

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The Dominion Post

Bert Welton (left) from Island Bay receives meals from driver Arne Stehnken. Meals on Wheels is a service that allows many elderly or disabled people to remain independent, and is sometimes supplied by not-for-profit groups.

high and complex services (8.6 percent), caregiver support (3.3 percent), assessment, treatment, and rehabilitation (2.7 percent), and respite care (1.9 percent).

Sexual and reproductive health

The sexually transmitted infection (STI) burden in New Zealand is considerable, with young people under 25 years and individuals from non-European ethnic groups being over-represented among STI cases. In addition, although cases of more serious STIs such as syphilis and HIV are relatively low, they are on the increase. The national STI surveillance system relies on the voluntary involvement of sexual health clinics, family planning clinics, and student youth clinics, as well as regional laboratories.

In 2001, phase one of the *Sexual and Reproductive Health Strategy* was released. It provides the overall vision, principles, obligations, strategic context, and strategic directions for achieving good sexual and reproductive health for all New Zealanders. Subsequent publications include the *HIV/AIDS Action Plan* (2003), *Sexual and Reproductive Health: A resource book for New Zealand health care organisations* (2003), and the *Chlamydia Management Guidelines* (2008). Projects are currently underway to review and update the chlamydia guidelines.

A review carried out by the Education Review Office in 2006 found that the majority of school sexuality education programmes were not meeting students' needs effectively. Specific recommendations were made for the Ministries of Health and Education to improve programme delivery in this area.

Māori health

As a population group, Māori have, on average, the poorest health status of any ethnic group in New Zealand. The Government and the Ministry of Health have made it a priority to improve Māori health outcomes and reduce health inequalities. Improving Māori health outcomes and reducing inequalities will benefit not only Māori, but all New Zealanders.

A key priority for the ministry is to achieve whānau ora (family health), in which Māori families are supported to achieve their maximum health and well-being. This involves making positive and adaptive relationships within whānau possible, and recognising the interconnectedness and impact of other determinants of health, such as education, income, and housing.

He Korowai Oranga: Māori health strategy (2002) provides the strategic direction to achieve whānau ora. The strategy recognises that action is required in four ways: working across sectors; delivering services effectively; Māori participation; and whānau, hapū (sub-tribe), and iwi (tribe) development. The strategy also acknowledges that action in the health and disability sector needs to be supported by practical research.

Health and disability providers work hard to address the health needs of the populations they service, help to identify the wider determinants of health, and design services that respond to existing inequalities. The Māori health and disability provider sector is a whole group, with approximately 275 Māori health providers nationwide. Together they provide diverse services and deliver them in ways that empower Māori and their whānau to take control of their health and well-being.

Supporting women's health

The Wellington Women's Health Collective is a not-for-profit organisation that provides free health services for all women. Services offered include giving health information, making referrals, and providing support on any issue affecting a woman's physical, mental, or emotional health.

Services used most often are the counselling service and casual support for health issues. Staff offer women as much time as they need to discuss any issue, on a drop-in basis or by phone.

Women can receive health information from both medical and complementary medicine perspectives. The collective also does pregnancy tests and provides sexual health information. When needed, referrals are made to mental health teams, GPs, medical specialists, complementary therapists, support groups, and other community organisations.

The collective has been running for 24 years, is one of two similar organisations within New Zealand, and employs two part-time staff who are both coordinator/administrators and support workers.

Staff used to get many enquiries about very specific physical health issues, but now requests are more often for counselling, or mental health or general life issues.

Services are free to women using them, with the collective being supported mainly through grants and donations from foundations and trusts.

In 2009, Wellington Women's Health Collective had 1,197 enquiries, with an average of 5.8 per day – a stretch for two part-time staff and a five-hour day.

Source: Wellington Women's Health Collective

Women's health

The Ministry of Health provides policy advice on issues of particular relevance to women. These include contraception, sexual and reproductive health, infertility, pregnancy and childbirth, abortion services, and breast and cervical cancer screening.

Women's health services are provided by DHBs, health professionals, and a large number of community and consumer groups.

Child health

The Ministry of Health's *Child Health Strategy* (1998) emphasises the need to reduce inequalities in health and disability outcomes by focusing on: Māori children, Pacific children, children whose families experience multiple social and economic disadvantages, and children with high health and disability support needs.

DHBs and the Ministry of Health purchase a range of health services related to children, including high-quality secondary and tertiary paediatric services, primary care, and well-child services that focus on disease prevention and health promotion.

New Zealand's comprehensive and free well-child service includes newborn screening; developmental, vision, and hearing screening for children aged under five years; and immunisation. A review of well-child/tamariki ora services was completed in 2008. The ministry is working on the following recommendations:

- developing policies that have a stronger focus on delivering services to vulnerable families and first-time parents
- better integration of primary care services and early childhood education
- developing a common assessment and care plan across maternity and well-child services
- screening for postnatal depression
- ensuring that vision, hearing, and developmental screening occur for all children and appropriate referrals are made, and services received, before children start primary school.

The trend in infant mortality continues to decline. However, the Māori rate remains higher than for non-Māori.

The ministry supports professional training and written materials for parents, to reduce the number of sudden unexplained deaths in infants, specifically cot death.

The ministry collaborates with interested community groups, university researchers, and DHB youth service managers, to further develop practical research and promising practices that address the health needs of youth. The emphasis is on a youth-focused approach to accessing and delivering health services.

Oral health

Publicly funded child and adolescent oral health services in New Zealand are provided through the Community Oral Health Service. DHBs generally provide care for children from birth to year 8 at school (about 13 years of age). Privately contracted dentists provide care for students from year 9 up to, and including, 17 years of age.

Major hospitals provide dental services for in-patients and others with special needs that cannot easily be treated in the community. Emergency dental care for low-income adults is also provided by some hospital dental services and through contracts with private dentists in some DHB areas.

Community Oral Health Service The Government is investing significantly in rebuilding the School Dental Service to ensure it meets modern standards of dentistry and is flexible enough to meet the needs of local communities. The service for children and adolescents is characterised by prevention and early intervention from birth.

Free oral health care includes examination, disease prevention measures, fillings, and oral health education. Although oral health services for adolescents are usually provided by private dentists contracted by DHBs, in some areas they can attend a community service.

Hospital dental services DHBs also provide a range of specialist services for people suffering from oral conditions that require specialised knowledge and facilities. These services include acute trauma services, dental services for hospital in-patients or where treatment is required as part of other medical or surgical treatment, and services for people with special needs who cannot access care in the community or require special facilities (such as medical support from haematology, oncology, or general anaesthetic services).

DHBs provide dental treatment under general anaesthetic for children and special needs patients who are referred by other dental and medical practitioners.

Where resources permit, some DHBs also provide pain-relief and dental services for low-income people through their hospital dental departments.

Dental research Dental research, which is funded by the Health Research Council, is undertaken by researchers who are primarily located in New Zealand universities. The bulk of dental research in New Zealand is undertaken by the School of Dentistry at the University of Otago.

Fluoridation More than 60 percent of New Zealanders on reticulated water supplies live in areas with fluoridated water. Water fluoridation is a proven measure to reduce dental decay, with the benefit being greatest for those in low socio-economic groups, Māori, and children.

Long-term trends indicate the proportion of five-year-olds showing no dental decay is consistently 5–6 percent higher in fluoridated areas than in non-fluoridated areas.

Hospitals

In the year ending 30 June 2008, there were 551,503 in-patient and day-case medical and surgical discharges from publicly funded DHB hospitals in New Zealand. This number does not include directly purchased Accident Compensation Corporation cases, maternity cases, and short-stay accident and emergency cases.

Outpatients

Most people who attend a hospital are 'ambulatory' (not confined to a bed) and do not require constant hospital care. These people receive treatment in outpatient and community settings.

In the year ending 30 June 2007, the latest year for which statistics are available, 937,008 people attended a specialist medical or surgical clinic at a hospital for diagnosis, treatment, and pre- and post-operative care, typically on two or more occasions.

In the same year, health professionals assessed, treated, and rehabilitated approximately 204,640 patients in clinical and home-based settings; 52,480 people attended educational programmes for diabetes and cardiac conditions; 19,412 patients received dialysis treatment; and 365,000 people received specialist outpatient dental treatment.

Length of stay in public hospitals The length of time spent by inpatients in hospitals remains constant, as medical and surgical discharges increase. If day-case patients are excluded, the average length of stay, for the year ending 30 June 2008, was 4.3 days, which is the same as the length of stay for the year ending 30 June 2007.

Image removed due to copyright issues

Immunisation a target

New Zealand continues to have outbreaks of vaccine-preventable diseases because immunisation rates are too low.

New Zealand has one of the lowest immunisation rates in the OECD. About 80 percent of children have had all the recommended immunisations by their second birthday, but to prevent outbreaks of vaccine preventable diseases, the rate needs to be 95 percent.

Increasing immunisation rates is one of the Government's health targets.

There was a sharp increase in the number of measles cases and of pertussis (whooping cough) during 2009.

Work is under way to raise awareness of the importance of immunisation and reduce barriers to being immunised.

Source: Ministry of Health

Otago Daily Times

Emily Cooper sanitises her hands while her classmates wait their turn. St Clair School was one of 23 Dunedin schools participating in research to see if improving hand hygiene made a difference to absences due to illness.

Table 8.05

Service	Hospital-based outpatient and community services			
	Year ending 30 June			
	Number of events		Number of patients	
	2007/08	2008/09	2007/08	2008/09
Medical service	1,026,632	1,074,369	276,338	264,450
Surgical service	972,616	1,001,970	322,484	318,644
Emergency department	826,226	894,804	404,504	454,007
Disability service	33,099	40,125	2,848	3,647
Child and maternal health ⁽¹⁾	14,435	131,588	3,849	18,576
Older people health	35,508	56,848	3,421	5,057
Dental service ⁽²⁾	33,735	60,957	12,880	20,133
Chemotherapy and radiotherapy	214,401	207,560	3,058	3,762
Dialysis	143,783	146,222	1,192	1,165
Domiciliary service ⁽²⁾	161,938	366,047	3,869	12,859
Allied health ⁽²⁾	130,323	253,961	19,660	30,641
Other services	76,467	115,129	29,929	42,899
Total	3,669,163	4,349,580	1,084,032	1,175,840

(1) From 2008/09, obstetric and other antenatal and postnatal services have been introduced into the national non-admitted patient collection (NNPAC). (2) Data increases partly reflect improved data collection.

Note: Data sourced from the NNPAC. Count accuracy is limited by accuracy of health-care user identification and the completeness of data collection. Data is for public-funded events (attended) only. Service groups are based on purchase unit codes and groups do not overlap. Medical and surgical services include specialist first, and subsequent assessments and other medical or surgical treatments. Dental service includes hospital dental services only. Older people health includes assessment, treatment, and rehabilitation services, and needs assessment for people aged 65+ years; services under the disability service scheme are excluded. Other services include screening, fertility, Māori health, sexual health, rural health, and community-referred tests.

Source: Ministry of Health

Causes of death

Malignant neoplasm (cancer), ischaemic heart disease, and cerebrovascular disease were the leading causes of death in New Zealand in the year ending 31 December 2006, the most recent year for which statistics are available.

Collectively, they accounted for almost 60 percent of all deaths. Cancer was the cause of 28.5 percent of deaths, ischaemic heart disease 20.8 percent, and cerebrovascular disease 9.4 percent.

Table 8.06

Cause of death	Major causes of death					
	2004–06					
	Number of deaths			Crude rate per million people		
	2004	2005	2006	2004	2005	2006
Malignant neoplasm	8,145	7,971	8,094	2,004.9	1,943.9	1,933.2
Diabetes mellitus	843	839	860	207.5	204.6	205.4
Chronic rheumatic heart disease	123	175	186	30.3	42.7	44.4
Hypertensive disease	283	256	329	69.7	62.4	78.6
Ischaemic heart disease	6,313	5,807	5,912	1,554.0	1,416.1	1,412.0
Other forms of heart disease	1,205	1,148	1,146	296.6	280.0	273.7
Cerebrovascular disease	2,806	2,587	2,674	690.7	630.9	638.7
Disease of artery, arteriole, or capillary	508	469	521	125.0	114.4	124.4
Influenza and pneumonia	465	382	479	114.5	93.2	114.4
Bronchitis, emphysema, and asthma	175	148	155	43.1	36.1	37.0
Other disease of respiratory system	1,827	1,623	1,751	449.7	395.8	418.2
Disease of the liver	134	137	159	33.0	33.4	38.0
Peptic ulcer	82	81	94	20.2	19.8	22.5
Congenital anomaly	178	153	191	43.8	37.3	45.6
Conditions of perinatal mortality	150	134	123	36.9	32.7	29.4
Transport accident	520	488	450	128.0	119.0	107.5
Intentional self-harm (suicide)	488	511	526	120.1	124.6	125.6
Other injury and poisoning	702	709	759	172.8	172.9	181.3
All other diseases	3,689	3,523	3,980	908.1	859.1	950.6
Total	28,636	27,141	28,389	7,048.9	6,618.8	6,780.4

Note: In line with the third edition of the International Classification of Diseases for Oncology, the range of neoplasms considered to be malignant has been expanded. This change took effect from 2003. For this reason, the 2004 cancer mortality data differs from that published in the *New Zealand Official Yearbook 2008*.

Source: Ministry of Health

Cancer

In 2006 (the latest year for which statistics are available), 95.8 percent of cancer deaths occurred in people aged 45 years and over, with 71.1 percent occurring at 65 years and over.

Table 8.07

Deaths from malignant cancer						
By sex and age group						
Year ending 31 December 2006						
Age group (years)	Males			Females		
	Number	Crude rate per 100,000 people	Percentage of total deaths	Number	Crude rate per 100,000 people	Percentage of total deaths
Under 5	4	2.7	0.1	5	3.6	0.1
5-14	10	3.2	0.2	5	1.7	0.1
15-24	25	8.2	0.6	12	4.0	0.3
25-44	112	19.7	2.7	163	26.6	4.1
45-64	958	195.0	23.1	994	195.8	25.2
65+	3,035	1,325.7	73.2	2,771	980.3	70.2
Total	4,144	202.2	100.0	3,950	184.8	100.0
Total in 2005	4,184	207.3	100.0	3,787	181.8	100.0

Source: Ministry of Health

Fetal and infant mortality

The term perinatal death covers fetal deaths at 20 or more weeks' gestation or 400 grams birthweight, and infant deaths within seven days of birth (early neonatal deaths). A late neonatal death occurs when a live-born infant dies after 7 days but before 28 days after birth. A post-neonatal death is when a live-born infant dies after 28 days but before the first year of life is completed. An infant death is the death of a live-born infant before the first year of life is completed.

Table 8.08

Fetal and infant mortality rates								
By ethnic group								
Year ending 31 December 2006								
Category of death	Māori		Pacific peoples		Other		Total	
	Number	Rate ⁽¹⁾	Number	Rate ⁽¹⁾	Number	Rate ⁽¹⁾	Number	Rate ⁽¹⁾
Total fetal⁽²⁾	99	5.5	56	8.7	254	7.0	409	6.7
Infant								
Early neonatal ⁽³⁾	52	2.9	16	2.5	69	1.9	137	2.3
Late neonatal ⁽⁴⁾	10	0.6	2	0.3	16	0.4	28	0.5
Post-neonatal ⁽⁵⁾	68	3.8	23	3.6	52	1.4	143	2.4
Total infant	130	7.2	41	6.4	137	3.8	308	5.1

(1) Rate per 1,000 recorded pregnancies or live births. (2) Deaths of 20 weeks or more gestation or over 400 grams birth weight. (3) Infant deaths within seven days of birth. (4) When a live-born infant dies after seven days but before 28 days after birth. (5) Infant death after 28 days but before the first year of life is completed.

Source: Ministry of Health

Table 8.09

Infant mortality rates for selected OECD ⁽¹⁾ countries							
Deaths per 1,000 live births							
Country	2002	2003	2004	2005	2006	2007	
Australia	5.0	4.8	4.7	5.0	4.7	4.2	
Austria	4.1	4.5	4.5	4.2	3.6	3.7	
Germany	4.2	4.2	4.1	3.9	3.8	..	
Greece	5.1	4.0	4.1	3.8	3.7	3.6	
Iceland	2.3	2.4	2.8	2.3	1.4	2.0	
Japan	3.0	3.0	2.8	2.8	2.6	2.6	
New Zealand	6.2	5.4	5.9	5.0	5.2	4.8	
Portugal	5.0	4.1	3.8	3.5	3.3	..	
Switzerland	5.0	4.3	4.2	4.2	4.4	..	
United Kingdom	5.2	5.2	5.1	5.1	5.0	4.8	

(1) Organisation for Economic Co-operation and Development.

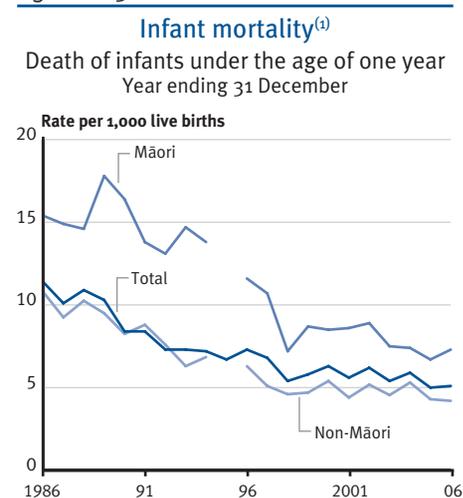
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Source: OECD iLibrary (2009)

Abortion

Abortion is permitted by New Zealand law under the Contraception, Sterilisation, and Abortion Act 1977 in circumstances where strict criteria are met. The criteria are: that continuation of the pregnancy would result in serious danger (excluding the danger normally associated with childbirth) to the life, or to the physical or mental health of the woman or girl; or that there is a substantial risk that the child, if born, would be so physically or mentally abnormal as to be seriously handicapped.

Figure 8.03



(1) Due to a change in the way ethnicity was recorded, 1995 figures are not directly comparable with those before and after.

Source: New Zealand Health Information Service

The grounds are stricter when the gestation of the pregnancy is more than 20 weeks. Then, an abortion will be authorised only to save the life of the mother, or to prevent serious, permanent injury to her physical or mental health. The Crimes Act 1961 sets out when an abortion would be unlawful.

The Act sets out the referral procedure where a woman seeks an abortion. It also sets out the criteria for determining a case. If, after considering a case, two certifying consultants establish that the case meets the criteria of the Act, they will each issue an authorising certificate.

The Act also created a three-member Abortion Supervisory Committee. The committee's functions include keeping provisions of the Act under review, granting licences to institutions (both private and public) to perform abortions, appointing certifying consultants, and collating and disseminating information relating to abortions performed in New Zealand. The committee also appoints counselling advisors to monitor counselling services for women seeking advice about their pregnancy.

Table 8.10

Abortions ⁽¹⁾						
By age group						
Year ending 31 December						
Age group (years)	2002	2003	2004	2005	2006	2007
11–14	78	89	85	92	105	104
15–19	3,602	3,757	3,758	3,718	3,978	4,173
20–24	5,124	5,670	5,528	5,203	5,314	5,445
25–29	3,450	3,619	3,501	3,491	3,530	3,574
30–34	2,676	2,800	2,644	2,520	2,497	2,547
35–39	1,715	1,846	1,916	1,773	1,777	1,814
40–44	686	692	721	687	691	667
45+	49	38	58	47	42	58
Total	17,380	18,511	18,211	17,531	17,934	18,382
Total abortion rate⁽²⁾	621	648	629	601	608	619

(1) New Zealand-registered induced abortions. (2) The average number of abortions that 1,000 women would have during their life if they experienced the age-specific abortion rates of a given period (usually a year). It excludes the effect of mortality.

Source: Abortion Supervisory Committee

International comparisons Statistical coverage and laws relating to induced abortion affect international comparisons of abortion statistics. Consequently, differences between the abortion rate for New Zealand and other countries should be interpreted with care. International data for 2008 is not available for many countries, so comparisons have generally been made using 2007 data.

In 2007, the general abortion rate (abortions per 1,000 women aged 15–44 years) for New Zealand was 20.1 per 1,000. The following countries had lower rates: Germany (7.2), the Netherlands (8.6), Finland (10.7), Scotland (13.0), Denmark (14.3 in 2006), Norway (16.1), France (16.8 in 2006), and England and Wales (17.9). In Australia (19.3 in 2004), the United States (19.4 in 2005), and Sweden (21.0), the abortion rate was similar to New Zealand's.

Image removed due to copyright issues

The Dominion Post

Andy Morley-Hall (left) and Age Pryor (right) work to raise a smile from Ana Aselemo, a young patient in Wellington Hospital's cancer ward. The two members of the Wellington International Ukelele Orchestra visited the ward to surprise Ana, who was being treated for sarcoma.

Accidents

Road crashes

Motor vehicle crashes involving death or personal injury are required by law to be reported to the Police. During the year ending 31 December 2008, there were 11,647 reported crashes, resulting in 366 fatalities and injuries to 15,174 individuals.

There has been considerable progress in reducing road deaths over the last 30 years – the road toll was 766 in 1986, 514 in 1996, and 391 for 2006. However, in recent years the number of deaths and serious injuries on New Zealand roads has begun to increase.

Figure 8.04

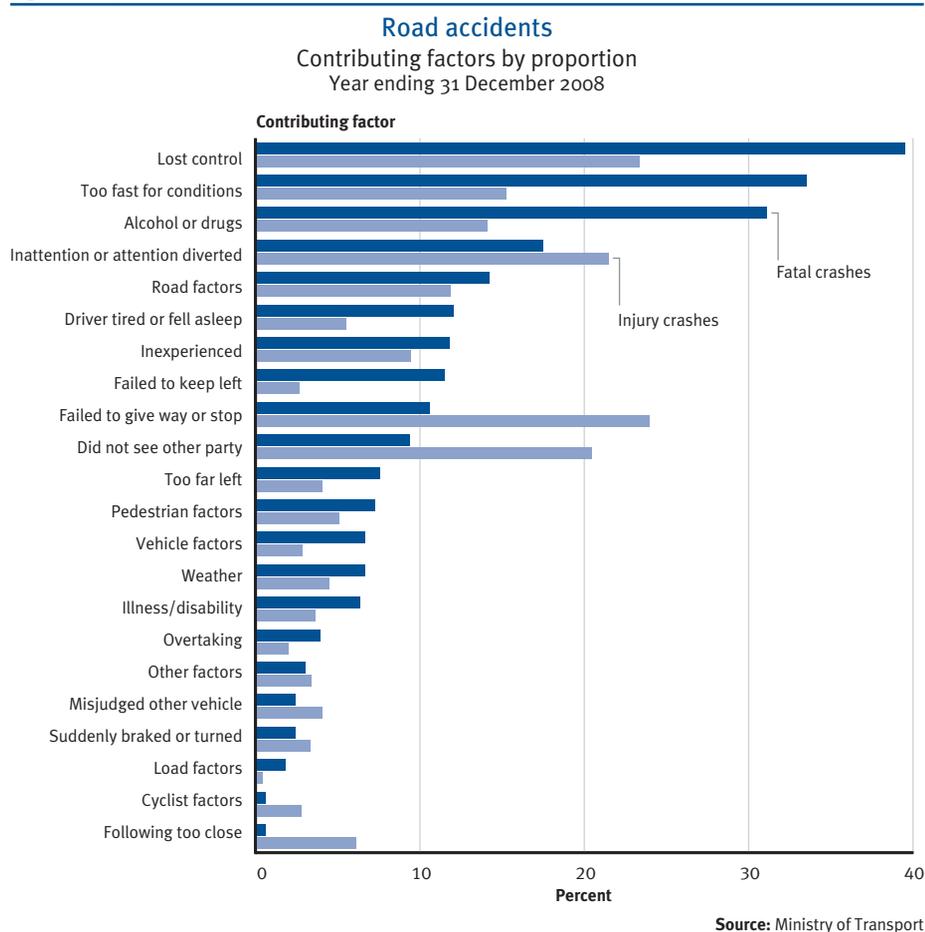


Table 8.11

Motor vehicle crashes resulting in injury or death

By classification
Year ending 31 December

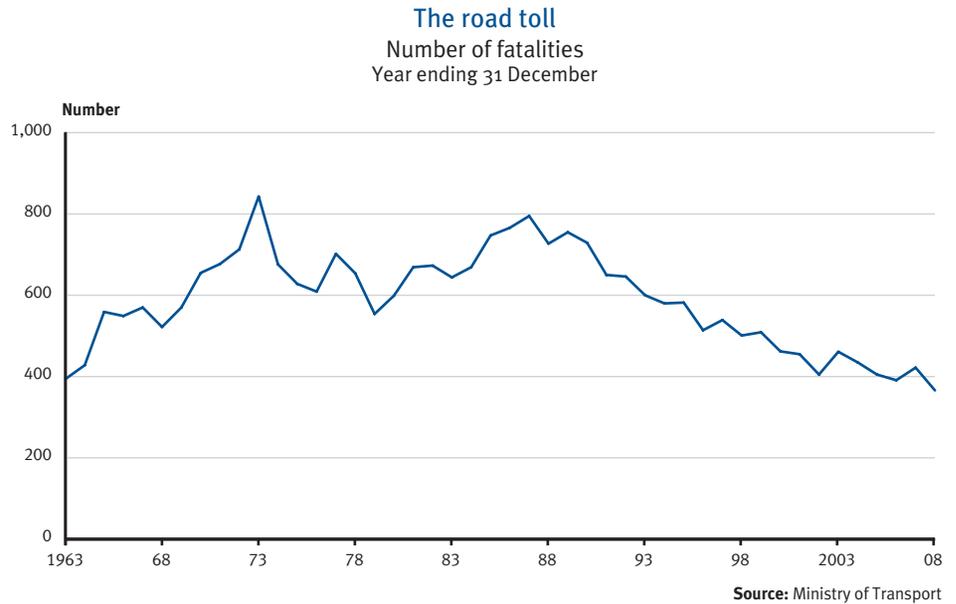
Classification	2007				2008			
	People killed	Serious injuries	Minor injuries	Total	People killed	Serious injuries	Minor injuries	Total
Overtaking or lane change	29	138	499	666	14	108	420	542
Head on (not overtaking)	105	445	1,120	1,670	91	331	875	1,297
Lost control or ran off road on straight	45	305	1,474	1,824	52	333	1,322	1,707
Lost control or ran off road while cornering	123	664	3,024	3,811	116	686	2,812	3,614
Collision with obstruction	6	69	393	468	4	77	436	517
Rear end	9	86	1,672	1,767	6	72	1,534	1,612
At intersections or driveways								
Turning versus same direction	10	74	661	745	1	86	666	753
Crossing, no turn	16	188	1,013	1,217	12	139	982	1,133
Crossing, vehicle turning	8	148	908	1,064	12	146	917	1,075
Vehicles merging	3	33	218	254	2	38	283	323
Right turn against	6	165	1,090	1,261	10	155	1,063	1,228
Vehicles manoeuvring	7	99	560	666	3	89	565	657
Pedestrian crossing road	25	174	513	712	20	198	583	801
Pedestrian – other	17	37	114	168	14	37	106	157
Miscellaneous	13	29	100	142	9	36	79	124
Total	422	2,654	13,359	16,435	366	2,531	12,643	15,540

Source: Ministry of Transport

Road Safety to 2010 (2003) provided the strategic direction for road safety in New Zealand. It describes what the government wanted to achieve by 2010 – to reduce road deaths to no more than 300 a year.

The Ministry of Transport is now developing *Safer Journeys*, the road safety strategy that will guide New Zealand through to 2020. A 'safe system' approach to road safety is proposed for the strategy, one that acknowledges people will inevitably make mistakes when using the road transport system. Rather than simply blaming users for causing crashes, a safe system protects those involved from death and serious injury. The approach has four key elements: safe road users, safe vehicles, safe roads and roadsides, and safe speeds.

Figure 8.05



Safer Journeys also identifies key interventions to help improve road safety. The interventions will address priority areas, including reducing alcohol/drug impaired driving, increasing the safety of young drivers, increasing the safety of motorcycling, and promoting safer walking and cycling. For information on all 13 proposed priority areas see the *Safer Journeys* website (www.saferjourneys.govt.nz).

Safer Journeys is led by the Ministry of Transport, in partnership with other agencies: the New Zealand Transport Agency, Police, Accident Compensation Corporation, and Local Government New Zealand. The strategy was released in early 2010. The public was consulted in 2009 and feedback was used in developing the strategy.

Table 8.12

Fatalities and injuries in motor vehicle crashes
By age group
Year ending 31 December

Age group (years)	Fatalities ⁽¹⁾					Injuries				
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
Under 5	10	8	6	8	10	157	180	192	136	159
5–9	10	10	11	6	4	355	337	368	342	321
10–14	5	13	8	13	9	567	630	593	527	522
15–19	81	84	61	65	56	2,575	2,678	2,850	3,054	2,751
20–24	56	49	41	65	61	1,862	2,057	2,139	2,239	2,195
25–29	27	27	20	29	35	1,180	1,212	1,318	1,386	1,342
30–34	33	20	29	33	26	1,134	1,131	1,185	1,221	1,052
35–39	24	20	26	34	20	991	1,092	1,062	1,189	1,107
40–44	34	35	33	22	18	1,007	1,045	1,068	1,063	1,098
45–49	26	27	30	28	20	826	832	919	1,051	972
50–54	16	25	21	22	17	615	678	709	827	839
55–59	30	13	11	15	18	521	576	613	693	624
60–64	13	13	17	15	17	394	383	408	447	475
65–69	12	14	13	12	12	294	300	301	343	332
70–74	16	11	11	13	8	258	284	290	295	285
75–79	16	11	16	12	14	238	235	253	246	243
80+	18	20	31	25	16	265	260	302	332	303
Age unknown	8	5	6	5	5	651	541	604	622	554
Total	435	405	391	422	366	13,890	14,451	15,174	16,013	15,174

(1) Killed immediately or died within 30 days of accident.

Source: Ministry of Transport

Table 8.13

Road crash casualties and rates					
Year	Fatalities	Fatality rate ⁽¹⁾	Injuries	Injury rate ⁽¹⁾	Total casualty rate ⁽¹⁾
1999	509	13.4	11,999	316	329
2000	462	12.1	10,962	286	298
2001	455	11.8	12,368	321	333
2002	405	10.3	13,918	353	364
2003	461	11.5	14,372	359	370
2004	435	10.7	13,890	342	353
2005	405	9.9	14,451	353	363
2006	391	9.4	15,174	367	376
2007	422	10.0	16,013	379	389
2008	366	8.6	15,174	356	364

(1) Per 100,000 people.

Source: Ministry of Transport

Table 8.14

International comparison of motor vehicle fatality rates ⁽¹⁾						
Year ending 31 December						
Country	2006			2007		
	Fatality number	Fatality rate ⁽²⁾	Fatality rate per 10,000 vehicles	Fatality number	Fatality rate ⁽²⁾	Fatality rate per 10,000 vehicles
United States	42,642	14.2	1.7	41,259	14.2	1.6
New Zealand	391	9.4	1.3	422	10.0	1.3
France	4,709	7.7	1.3	4,620	7.5	1.2
Canada	2,892	9.2	1.5	..	..	..
Australia	1,598	7.7	1.1	1,617	7.7	1.1
Germany	5,091	6.2	0.9	4,949	6.0	0.9
Japan	7,272	5.7	0.9	6,639	5.2	0.8
United Kingdom	3,289	5.4	1.0	3,059	5.0	0.9
Norway	242	5.2	0.8	233	5.0	0.7
Sweden	445	4.9	0.9	471	5.2	0.9

(1) For countries that contribute data to the International Road Traffic and Accident Database; it is the most recent available.

(2) Per 100,000 people.

Symbol: .. figure not available

Source: Ministry of Transport

Water accidents

Water Safety New Zealand is responsible for water safety education in New Zealand. Formed in 1949, Water Safety New Zealand represents the interests of 36 aquatic sports, and recreational and community organisations. It is funded by the New Zealand Lottery Grants Board and through sponsorship of specific programmes by organisations such as the Accident Compensation Corporation.

Water Safety New Zealand helps meet the water safety needs of the community by providing education, information and statistics, research and advice, and consultancy. The organisation also supports and funds educational activities by member organisations, such as Surf Life Saving New Zealand, the Coastguard Boating Education, the New Zealand Outdoor Instructors' Association, and the New Zealand Underwater Association.

General accidents

Accidents, poisoning, and violence (external causes) caused 6.1 percent of all deaths in New Zealand in 2006 (the latest statistics available), compared with 6.3 percent in 2005, 6.0 percent in 2004, and 6.4 percent in 2003.

Males accounted for 65.2 percent of deaths from external causes in 2006. Males aged 15–24 had the highest number of deaths for any age group, with intentional self-harm being the most common cause of death, followed by transport accidents.

Injury prevention

Injury prevention activities are guided by the *New Zealand Injury Prevention Strategy* (2003), which is led by the Accident Compensation Corporation. The strategy sets out a number of ongoing priority action areas. These include injury prevention strategies for motor vehicle crashes, suicide and deliberate self-harm, falls, workplace injuries, assault, and drowning and near drowning.

The Ministry of Health and other agencies fund injury prevention activities.

Initiatives to prevent unintentional injuries include preventing-falls and child-safety programmes, and community injury prevention programmes. Initiatives include programmes to reduce physical, emotional, and sexual violence in families, schools, communities, and marae – through education and by changing the social norms that tolerate violence. The Ministry of Health also runs the Violence Intervention Programme, in which health professionals routinely screen women aged over 16 years for experience of family violence, and provide support and referrals where necessary.

Table 8.15

Drownings by activity type						
Year ending 31 December						
Activity type	2003	2004	2005	2006	2007	2008
Recreational						
Land-based fishing	8	11	13	5	9	9
Non-powered boat	7	9	8	3	8	7
Powered boat	11	7	6	8	6	5
Sailing	1	1	2	0	0	4
Underwater	10	2	6	6	8	5
Swimming	18	14	13	10	17	14
Water sport/recreation	8	10	4	7	7	16
Subtotal	63	54	52	39	55	60
Non-recreational						
Accidental immersion	31	25	26	29	33	23
Flood/civil emergency	0	1	0	0	0	2
Rescuing others	1	3	2	2	1	3
Commercial fishing	1	5	3	0	0	2
Subtotal	33	34	31	31	34	30
Other						
Aircraft	0	1	0	2	0	0
Homicide	0	1	0	1	2	0
Other commercial	0	0	3	2	1	2
Road vehicle	18	17	18	8	10	3
Suicide	12	15	15	10	12	2
Subtotal	30	34	36	23	25	7
Total drownings	126	122	119	93	114	97

Source: Water Safety New Zealand

Image removed due to copyright issues

The New Zealand Herald

Tracy Wilson (left) is a lifeguard who also works for IRIS, which supports people with intellectual and physical disabilities. At North Shore's Mairangi Bay she helped Willie Marino learn about beach and water safety, including first aid procedures, and also have a spin in a rescue boat.

Personal injury cover

Over 35 years ago, New Zealand introduced comprehensive 24-hour, no-fault personal injury cover for people injured in accidents. The scheme is managed by a statutory corporation, the Accident Compensation Corporation (ACC).

Legislation creating the Accident Compensation Scheme took effect on 1 April 1974, replacing a statutory workers' compensation scheme, compulsory third-party motor vehicle accident insurance, and a criminal injuries compensation scheme. The new scheme also removed the common law right to sue for damages, in return for support for all people injured, regardless of fault.

Essentially, the scheme covers all New Zealand residents, New Zealand residents temporarily overseas, and overseas visitors in New Zealand.

The scheme has been amended from time to time, mainly to keep entitlements in line with social changes.

The latest amendment, the Injury Prevention, Rehabilitation, and Compensation Act 2001, which came into effect from 1 April 2002, reintroduced lump sum payments for injuries that resulted in permanent impairment, required ACC to develop a Code of ACC Claimants' Rights, and made other changes to entitlements for injured people.

Accident Compensation Corporation

The Accident Compensation Corporation (ACC) is a Crown entity with a board appointed by the Minister for the Accident Compensation Corporation. A service agreement between the board and the minister specifies ACC's desired outcomes and objectives, and provides a means for accountability.

In the year ending 30 June 2009, ACC processed 1.75 million new claims (similar to the previous year) from injured people in New Zealand, and paid slightly over \$3 billion in rehabilitation and compensation costs.

Table 8.16

Cause	Deaths from external causes					
	Year ending 31 December					
	2004		2005		2006	
	Number	Rate ⁽¹⁾	Number	Rate ⁽¹⁾	Number	Rate ⁽¹⁾
Transport accident	520	128.0	488	119.0	450	107.5
Intentional self-harm (suicide)	488	120.1	511	124.6	526	125.6
Accidental fall ⁽²⁾	354	87.1	329	80.2	383	91.5
Accidental drowning ⁽³⁾	58	14.3	56	13.7	54	12.9
Accidental poisoning	49	12.1	62	15.1	40	9.6
Assault	47	11.6	71	17.3	64	15.3
Exposure to smoke, fire, or flames	22	5.4	19	4.6	14	3.3
Firearm accident	2	0.5	1	0.2	1	0.2
Event of undetermined intent	30	7.4	34	8.3	24	5.7
Other external cause	140	34.5	137	33.4	179	42.8
Total	1,710	420.9	1,708	416.5	1,735	414.4

(1) Crude rate per million people. (2) Includes falls aboard ships and from horseback. (3) Includes drowning from water transport.

Source: New Zealand Health Information Service

Table 8.17

Age group (years)	Deaths from external causes																					
	By sex and age group																					
	Year ending 31 December 2006																					
	Transport accident		Intentional self-harm		Assault		Undetermined		Accidental fall		Accidental drowning		Exposure to smoke, fire, or flames		Firearm accident		Accidental poisoning		Other external cause		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
0-14	21	10	2	4	4	4	1	1	2	0	4	1	3	1	0	0	1	0	16	12	54	33
15-24	79	28	95	24	9	6	3	1	4	0	6	1	2	0	0	0	3	4	10	0	211	64
25-34	52	7	73	29	9	5	5	2	4	2	3	1	0	0	0	0	5	0	10	2	161	48
35-44	54	15	75	32	8	3	4	1	4	1	10	3	2	0	0	0	9	3	17	0	183	58
45-54	41	24	61	20	6	3	1	2	7	2	8	2	0	1	1	0	4	2	23	0	152	56
55-64	24	14	49	11	3	0	0	2	12	10	4	0	0	2	0	0	2	5	18	8	112	52
65-74	18	11	19	10	2	1	0	1	20	11	7	1	1	0	0	0	0	1	11	4	78	40
75+	33	19	14	8	0	1	0	0	114	190	1	2	1	1	0	0	0	1	18	30	181	252
Total	322	128	388	138	41	23	14	10	167	216	43	11	9	5	1	0	24	16	123	56	1,132	603
Total in 2005	353	135	380	131	39	32	29	5	172	157	47	9	15	4	1	0	42	20	96	41	1,174	534

Source: Ministry of Health

Returning from injury

Image removed due to copyright issues

The Dominion Post

Jackie Doherty (above) has been running brain-injury rehabilitation programmes for four years. Matt Wilson is one of her clients.

Independent Living, her business, runs day programmes that are mainly for people with traumatic brain injuries resulting from vehicle accidents or assault.

Following assessment, and where possible, the goal is for clients to become fully independent and return to work. Those who have high needs and who are unlikely to become fully functional can attend the maintenance programmes.

Individuals develop their functional skills with help from occupational therapists, physiotherapists, nurses, and rehabilitation coaches and through community-based activities, music therapy, tai chi, crafts, and other activities. Individuals can spend from three months onwards on the programme – a return to work may be gradual.

Ms Doherty recognised a need and developed her programme after contracting to the Accident Compensation Corporation (ACC) as an occupational therapist in the early 1990s. She started with weekly programmes in community centres, but Independent Living now has 14 staff and a home base in Wellington.

Currently clients need to be ACC-funded to take part in the programme, although Ms Doherty hopes to secure funding for non-ACC-funded individuals to access the support services.

Source: Independent Living

Measuring satisfaction and participation in leisure activity

Leisure time is a crucial component of a balanced and healthy lifestyle – a time when people can do what they want away from work and other commitments. For many people, participation can improve their physical and mental health.

In 2008, 75 percent of New Zealanders were satisfied overall with their leisure time, a similar proportion as in 2006.

While people aged 25–54 years, those likely to have greater work and family commitments, were less satisfied overall (68–70 percent), 90 percent of people aged 65 years and over reported being satisfied. Satisfaction means they had sufficient time to do what they wanted and could access an adequate range of activities.

The Social Report uses statistical indicators such as leisure satisfaction to monitor trends across 10 areas of people's lives. It has been published annually since 2001.

Leisure time often includes physical activity. The 2009 report indicated that 51 percent of New Zealanders met the recommended guidelines for physical activity in 2006/07. That is, they were physically active for at least 30 minutes a day on five or more days a week. Again, this was similar to the result in 2002/03. Overall, males were more likely to meet the guidelines than females in 2006/07 (54 percent and 47 percent, respectively).

Engaging with cultural and arts activities is also a common leisure activity. The 2002 Cultural Experiences Survey showed that 93 percent of New Zealanders aged 15 years and over experienced one or more of the activities covered in the survey. Buying books was the most common (43 percent), followed by visiting a library (39 percent).

Māori (97 percent) were more likely than European (93 percent) or Pacific peoples (92 percent) to have participated in any cultural activity.

Source: Ministry of Social Development

Services The main services that ACC provides to injured people are:

- rescuing from accident scene – when ambulance or air transport is necessary
- physical rehabilitation – including cost of some public hospital and private hospital treatment; contribution to cost of primary health care (such as general practitioner consultations), and some contribution to cost of travel to treatment
- compensation for loss of earnings – weekly payments of up to 80 percent (capped) of a claimant's pre-injury income for the period during which the claimant is unable to work as a result of the injury (abated compensation is available if the claimant can resume work on reduced earnings)
- vocational support – by providing retraining and other support to enable claimants to return to their previous employment, or to take up alternative employment
- personal support – designed to make living with the results of an accident more comfortable (this can include modifying homes and vehicles for those with lasting incapacity, and care services for those unable to manage the normal routines of daily life)
- lump sum compensation – a one-off payment to compensate for permanent impairment resulting from injury (this sum is paid in addition to any other entitlements or assistance a claimant may receive from ACC. The payment amount depends on the level of permanent impairment). This replaces the previous independence allowance, which also compensated for impairment, but was paid periodically.

Funding ACC is funded by all New Zealanders, with the funding reserves policy moving in 1998 from a 'pay-as-you-go' basis to a 'fully-funded' basis. This change required ACC to set levies today that will cover the full future cost of each claim, and to establish reserves to meet the full future entitlement of people injured in the past. This brought ACC into line with usual insurance practice, and means that each generation pays the cost of its own injuries, rather than passing the cost on to future generations.

ACC receives income from:

- earners – who pay levies based on their earnings, collected with PAYE (pay as you earn) tax
- motor vehicle owners and users – who pay a levy as part of their annual motor vehicle licence fee, and a petrol levy
- the government – on behalf of non-income earners
- employers and the self-employed
- investment earnings – on funds held to cover claims costs.

In the year ending 30 June 2009, ACC's income from levies was \$4.2 billion. At 30 June 2009, ACC held \$11 billion of reserves to meet the future costs of current claims.

Costs Injury costs are assigned to one of six accounts:

- The work account meets the cost of all work-related injuries to employees and the self-employed. The account is funded from earnings-related levies paid by employers and self-employed people and is based on industry risk.
- The residual claims account covers the continuing cost of work-related injuries sustained before 1 July 1999, and non-work injuries to earners occurring before 1 July 1992 for all

Figure 8.18

Incidents attended by fire brigades					
Year ending 30 June					
	2005	2006	2007	2008	2009
Fires					
Structure	6,486	6,110	6,269	6,233	6,348
Mobile property	3,295	3,489	3,486	3,182	2,772
Vegetation	4,201	4,876	5,559	6,276	4,938
Chemical, flammable liquid, or gas	139	121	116	138	162
Miscellaneous	7,731	8,950	10,044	9,307	8,540
All fires	21,852	23,546	25,474	25,136	22,760
Fatalities from fires	24	28	33	38	28
Hazardous emergencies	2,817	2,966	3,367	3,977	3,690
Incidents relating to mobile property accidents	5,769	5,886	6,497	6,378	6,257
Rescues and medical emergencies	2,823	3,092	3,131	3,265	3,694
Assist other emergency services	3,814	3,745	3,989	4,245	4,004
Other incidents	2,288	2,595	2,536	3,064	3,700
Natural disasters					
Flood	1,347	745	712	667	655
Wind storm, tornado, cyclone etc	483	459	416	1,096	1,379
Other natural hazard emergencies	27	19	38	54	36
False alarms					
Good intent calls	4,683	4,742	6,425	7,079	6,484
False alarm	20,241	19,942	20,491	20,351	20,461
All incident types	66,144	67,737	73,076	75,312	73,120

Source: New Zealand Fire Service

earners, including the self-employed. The account is funded by levies paid by employers and the self-employed.

- The earners' account covers the cost of non-work injuries (including injuries sustained at home, and during sport and recreation) occurring to all earners, including the self-employed, after 1 July 1992. The account is funded from earners' levies paid through PAYE and from earnings-related levies on the self-employed.
- The non-earners' account meets the cost of all injuries to people who are not in the paid workforce: students, beneficiaries, older people, and children. This account is funded by contributions from government.
- The motor vehicle account covers the cost of all personal injuries involving motor vehicles on public roads. This includes the majority of work-related motor vehicle crash injuries. It is funded from petrol excise duty and a levy collected with the motor vehicle relicensing fee.
- The treatment injury account meets the cost of treatment injuries from medical or surgical procedures. The account is funded from the earners' and non-earners' accounts.

Emergency management

Ministry of Civil Defence and Emergency Management

The Ministry of Civil Defence and Emergency Management Te Rākau Whakamarumarū (MCDEM) leads the way in making New Zealand and its communities resilient to hazards and their risks. The overarching strategy for achieving this is through a risk-management approach to the four 'Rs' – reduction, readiness, response, and recovery.

MCDEM provides leadership, strategic guidance, national coordination, and facilitation for activities by the civil defence emergency management sector across all four Rs. The ministry works collaboratively with many interested groups, which include: individuals and families, communities, commercial enterprises, local authorities, central government departments and agencies, emergency services, welfare agencies, lifeline utilities, science and education providers, international agencies, and non-government organisations.

Fire protection

Fire protection involves fire safety and operational fire fighting. These services are managed nationally by the New Zealand Fire Service on behalf of the New Zealand Fire Service Commission. The primary emphasis on fire safety is determined by legislation in the Fire Service Act 1975.

New Zealand Fire Service Commission The commission is responsible for ensuring statutory requirements set out in the Fire Service Act are met. The commission has five members appointed by the government, and is the national purchasing and policy-setting agency.

National Warning System

The Ministry of Civil Defence and Emergency Management maintains the National Warning System (NWS) to issue civil defence warnings. The messages are based on information received from science and monitoring agencies in New Zealand and overseas.

The NWS sends warnings and advisories by email, fax, and text to agencies that would respond to an emergency and to those on standby in case they are needed to support the initial response. This includes the 16 regional civil defence emergency management groups, all local authorities (who are the agencies responsible for planning and coordinating civil defence in their areas), emergency services, welfare organisations, utility companies, central government organisations, media, and others.

A team works 24 hours a day, seven days a week in the Northern Communications Centre in Auckland. The centre receives and assesses information, and issues warnings and advisories when pre-set thresholds are met.

A second team is on call continuously in Wellington to provide advice and support, and, when necessary, to activate the National Crisis Management Centre at the Beehive.

In February 2010, the NWS was activated in response to an 8.8 magnitude earthquake off the coast of Chile. Eighteen advisory notices were issued over 36 hours, keeping the public informed on the tsunami threat to New Zealand.

GNS Science, the National Institute of Water and Atmospheric Research (NIWA), MetService, and universities provide scientific advice through duty officers and liaison staff who are available on call.

The NWS is not limited to issuing warnings and advisories about civil defence emergencies. The system is designed to contact the very wide range of organisations (more than 500 receive messages) that could be involved in responding, or supporting the response, to any kind of natural, technological, or man-made hazard.

In the case of a non-civil defence emergency, the ministry can use the NWS to disseminate information for other agencies, including the Ministry of Health, Police, and Ministry of Agriculture and Forestry.

Source: Ministry of Civil Defence and Emergency Management

Image removed due to copyright issues

The Dominion Post

Mary Brown blocks her ears against the scream of a smoke alarm being tested by firefighter Ray Hipa. Following a fatal fire in her street in Mangere in January 2009, when four children died, a company donated alarms to the street's residents.

Work-related injuries fall

Injury is the leading cause of premature death and disability in New Zealand.

Collecting and analysing injury data from different agencies, including the Accident Compensation Corporation (ACC) and the Ministry of Health, is a key role for Statistics New Zealand in its government-appointed role as injury information manager.

Injuries that occur in the workplace have been analysed by Statistics NZ since 2001. The latest results, derived from ACC data, revealed that 235,000 claims for work-related injury were made in 2007. Provisionally there were 224,900 work-related claims for 2008.

As the total number of claims has fallen, so has the incidence rate of injury (the number of claims divided by the number of full-time equivalent employees (FTEs)).

Traditionally, elementary occupations such as labourers have the highest incidence rate, but this has fallen from a high of 292 claims per 1,000 FTEs in 2005 to 273 claims per 1,000 in 2007. The 2008 provisional figure was 239 claims per 1,000 FTEs.

While the number of claims made by those aged 65 and over has risen steadily, from 8,800 claims in 2005 to 9,600 in 2007, the incidence rate has fallen from 217 per 1,000 FTEs in 2005 to 183 claims per 1,000 in 2007.

Entitlement payments are for injuries that result in weekly compensation being paid, treatment and rehabilitation payments, or death payments. Entitlement claims are about 14 percent of all claims, with the actual number falling from 34,900 in 2005 to 33,700 in 2007. The 2008 provisional number was 30,100. The majority of work-related claims involve medical fees only, such as payments to doctors and physiotherapists.

In 2008, entitlement claims by males (22,500) far outnumbered those by females (7,700). Plant machine operators and assemblers made the largest number of claims (7,000), which was 23 percent of all entitlement claims.

Source: Statistics New Zealand

Table 8.19

Fatal accidents investigated by the Occupational Safety and Health Service

Industry	By industry Year ending 30 June					
	2004 ⁽¹⁾	2005	2006	2007	2008	2009
Agriculture and hunting	15	24	17	21	21	11
Forestry and logging	9	1	7	5	2	5
Construction	6	5	14	13	7	6
Other ⁽²⁾	32	17	27	16	17	31
Total	62	47	65	55	47	53

(1) Includes eight bystanders killed as a result of workplace accidents. (2) Includes fatalities in extractive industries, such as mining: one in 2004, five in 2005, and one in 2006.

Source: Department of Labour

Established under the Forest and Rural Fires Act 1977 as the National Rural Fire Authority, the commission is today responsible for coordinating 89 rural fire authorities operating in areas outside the designated fire districts (in which operational fire fighting is provided by the New Zealand Fire Service).

The net cost of funding the commission, after allowing for miscellaneous income, is met by a levy on insured property collected by the insurance industry. For the year ending 30 June 2009, the levy total was \$299.4 million, compared with \$279.3 million in the year ending 30 June 2008.

New Zealand Fire Service The service aims to reduce the incidence and consequence of fires. It has an operating structure designed to deliver decision making, response, and resources to frontline operations. Senior managers are responsible for fire safety and enhancing fire safety technology. Eight fire regions are responsible for fire safety programmes, fire fighting resources, and the training and operational efficiency of brigades within their fire districts.

Twenty-five of 340 fire districts are served mainly by career fire fighters, with some stations being augmented by volunteers. The remaining 315 districts are staffed by volunteers. In 2009, there were 1,722 career fire fighters nationally, compared with 1,669 in 2008, and 1,689 in 2007.

There were more than 7,500 volunteers and 3,000 volunteer rural fire fighters in 2009, similar to the numbers in 2008. The 555 support staff in 2009 included those at communications centres in Auckland, Wellington, and Christchurch.

The New Zealand Fire Service has the responsibility of fighting fires in all urban fire districts and, without compromising its ability to fight fires, it can also respond to other emergencies at which its fire fighting resources can be used.

Occupational safety and health

Primary responsibility for providing occupational safety and health policy advice and services rests with the Department of Labour.

Maritime New Zealand and the Civil Aviation Authority have designated responsibility for administration and enforcement of legislation in their respective sectors, while the commercial vehicle investigation unit of the New Zealand Police undertakes investigation and enforcement of work-related incidents on public roads. The Accident Compensation Corporation (ACC) plays a major role in workplace injury prevention.

Legislation The principal legislation is the Health and Safety in Employment Act 1992, which promotes the prevention of harm in the workplace. To achieve this, the Act:

- defines hazards and places of work
- promotes excellence in health and safety management
- imposes enforceable duties on those responsible for work, and those who do the work
- provides for making of regulations and codes of practice for dealing with particular hazards or types of work
- encourages employee participation with employers and a cooperative approach to workplace health and safety.

The Act sets out the responsibilities of employers, employees, contractors, and others who exercise control over places of work. It provides for detailed guidance material to be created by either mandatory regulations, or by codes of practice approved by the Minister of Labour, after public consultation.

Approved codes are not mandatory, but outline an acceptable regulatory standard of workplace health and safety practice for the particular area covered. Other subject-specific best-practice guidelines are also developed by the Department of Labour, in conjunction with industry.

Image removed due to copyright issues

Lynn Irving

Staff from Independent Stevedores Limited hold a safety toolbox meeting to look at any potential hazards on site before carrying out work. The Department of Labour inspects workplaces for compliance with work safety laws.

Industry programmes The Department of Labour focuses on supporting safe and healthy workplace practices and reducing work-related illness, injury, and deaths through:

- working with other government agencies to promote and support health and safety in the workplace
- providing information and advice to help workplaces self-manage health and safety
- identifying changes and risks in workplaces through environmental scoping
- promoting research and influencing society's attitudes towards workplace health and safety
- investigating workplace accidents and complaints and enforcing health and safety legislation.

Strategic direction in health and safety The *Workplace Health and Safety Strategy to 2015* (2005) provides a framework for coordinating and promoting the various activities. The strategy ultimately aims to build a positive culture of safety in New Zealand. As lead agency for the strategy, the Department of Labour conducted an operational review in 2008/09. Results were published in 2010.

Department of Labour inspection activities The department inspects workplaces for compliance with the law, and regulates agents who certify safety-critical equipment. The department investigates all workplace fatalities.

As the designated enforcement agency for workplaces under the Hazardous Substances and New Organisms Act 1996, the Department of Labour works closely with emergency services, local authorities, and defence forces in the area of explosives and dangerous goods, and work-related hazardous substances.

The department has 19 regional offices delivering services to workplaces, and had 151 health and safety inspectors and occupational medicine specialists for the year ending June 2009.

During 2008/09, the department completed 5,630 forums and information visits, and the contact centre answered over 120,000 health and safety enquiries. A total of 11,269 health and safety complaints and incidents were notified, with 6,788 investigations being opened in response.

The cost of administering the Health and Safety in Employment Act is recovered through a levy on employers and self-employed people, which is collected alongside ACC levies. For 2008/09, the levy was 5 cents per \$100 of wages paid. Budgeted Crown funding to administer the Act for the 2008/09 year was \$36.140 million.

Contributors and related websites

Accident Compensation Corporation – www.acc.co.nz

Dental Council of New Zealand – www.dentalcouncil.org.nz

Department of Labour – www.dol.govt.nz

Health and Disability Commissioner – www.hdc.org.nz

Health Research Council of New Zealand – www.hrc.govt.nz

Health Sponsorship Council – www.hsc.org.nz

Malaghan Institute of Medical Research – www.malaghan.org.nz

Medical Council of New Zealand – www.mcnz.org.nz

Midwifery Council of New Zealand – www.midwiferycouncil.org.nz

Ministry of Civil Defence and Emergency Management – www.civildefence.govt.nz

Ministry of Health – www.moh.govt.nz

Ministry of Justice – www.justice.govt.nz

Ministry of Social Development – www.msd.govt.nz

Ministry of Transport – www.transport.govt.nz

New Zealand Fire Service Commission – www.fire.org.nz

New Zealand Food Safety Authority – www.nzfsa.govt.nz

New Zealand Health Information Service – www.nzhis.govt.nz

Nursing Council of New Zealand – www.nursingcouncil.org.nz

Osteopathic Council of New Zealand – www.osteopathiccouncil.org.nz

PHARMAC – www.pharmac.govt.nz

Pharmacy Council of New Zealand – www.pharmacycouncil.org.nz

Statistics New Zealand – www.stats.govt.nz

Victim Support – www.victimsupport.org.nz

Water Safety New Zealand – www.watersafety.org.nz

Workplace Health and Safety – www.osh.govt.nz

Image removed due to copyright issues

The Dominion Post

Nina Sharpe (left) from Australia joined her Kiwi cousin Theo Davies in testing their carpentry skills during Playcentre Awareness Week in Wellington. Children and families from 21 lower North Island playcentres met in Civic Square to publicise the early childhood education service. At 1 July 2008, there were 464 licensed playcentres in New Zealand.

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Curriculum

The New Zealand Curriculum is a statement of official policy relating to teaching and learning in English-medium New Zealand schools. It sets the direction for student learning and provides guidance for schools as they design and review their curriculum. A parallel statement, Te Marautanga o Aotearoa, was launched in 2008 and serves the same function for Māori-medium schools.

The curriculum includes a set of principles that guide what is important and desirable in teaching and learning. These principles underpin all school decision making, put students at the centre of teaching and learning, and affirm New Zealand's unique identity. They are:

- high expectations
- learning to learn
- Treaty of Waitangi
- cultural diversity
- inclusion
- community engagement
- coherence
- future focus.

The curriculum also includes a set of values that students will be encouraged to follow. These include excellence, innovation, inquiry and curiosity, diversity, equity, community and participation, ecological sustainability, integrity, and respect.

The curriculum specifies eight learning areas: English, the arts, health and physical education, learning languages, mathematics and statistics, science, social sciences, and technology.

The New Zealand Curriculum provides the framework and a common direction for all schools. It gives schools the scope, flexibility, and authority they need to design and shape their own curriculum so that teaching and learning is meaningful and beneficial to their particular community of students. The design of each school's curriculum then allows teachers to set a classroom curriculum that responds to the particular needs, interests, and talents of individuals and groups of students in their classes.

New Zealand Register of Quality Assured Qualifications

The New Zealand Register of Quality Assured Qualifications is a comprehensive list of all quality-assured qualifications in New Zealand. The register was developed to provide a consistent approach to academic and vocational qualifications. The register's structure brings together all approved qualifications developed in New Zealand by universities, institutes of technology and polytechnics, wānanga (Māori tertiary institutions), private training establishments, industry training organisations, and other standard-setting bodies.

The register has 10 levels and contains qualifications that are registered according to an agreed set of title definitions – for example, diploma, bachelor's degree, master's degree. The register requirements ensure a consistent description across all quality-assured qualifications, regardless of whether they are awarded by a school or university, are academic or vocational, or are a six-month or three-year qualification.

The register's key purposes are to:

- clearly identify all quality-assured qualifications in New Zealand
- ensure that all qualifications have a purpose and relationship to each other that students and the public can understand
- maintain and enhance learners' ability to transfer credit by establishing a common credit system
- enhance and build on the international recognition of New Zealand qualifications.

The public can access the register online (www.kiwiquals.govt.nz).

National Qualifications Framework

The National Qualifications Framework brings qualifications for senior secondary education, industry training, and tertiary education into one system.

Coordinated and administered by the New Zealand Qualifications Authority (NZQA), the framework is based on nationally agreed unit standards, achievement standards, and national qualifications. Each standard belongs to one of 10 framework levels, has a credit value associated with it, and may be used to meet the requirements of registered national qualifications.

National certificates awarded at levels 1–7 include the senior secondary education qualifications – the National Certificate of Educational Achievement (NCEA) at levels 1–3.

National diplomas are awarded at levels 5–7. There is provision for awarding national graduate diplomas and certificates at levels 6 and 7; national bachelor's degrees at level 7; national postgraduate diplomas and certificates, and national bachelor's degrees with honours, at level 8; national master's degrees at level 9; and doctorates at level 10. However, at September 2009, only national certificates, national diplomas, and a national postgraduate certificate had so far been registered on the framework.

The framework enables students to continue their studies and trade training wherever they wish – at school, university, polytechnic, private or government training establishment, wānanga, or in the workplace. Each student receives a record of achievement – a personalised list of credits and national qualifications achieved. NZQA updates the learner's record of achievement when results are received from accredited organisations.

National certificates and national diplomas are developed by industry training organisations or other recognised standard-setting bodies. Training for these qualifications occurs on the job, off the job, or in a mixture of these, depending on the qualification.

National certificates (and in a few cases national diplomas) have replaced trade certificates and advanced trade certificates in nearly every industry.

In the year ending 30 June 2009, a total of 176,775 framework qualifications were awarded to 154,498 students.

Senior secondary school qualifications and awards

National Certificate of Educational Achievement

A formal school qualification is a measure of the extent to which young adults have completed a basic prerequisite for higher education and training, and for many entry-level jobs. In 2002, the National Certificate of Educational Achievement (NCEA) level 1 replaced School Certificate as the principal qualification to complete the first stage of senior secondary education. It provides a foundation for further study and/or employment.

NCEA is designed to acknowledge achievement across a wide range of learning, in particular, the learning areas identified in the New Zealand Curriculum. Students can attain credits through internal and external assessment, and can accumulate these credits both within and across years.

Image removed due to copyright issues

Otago Daily Times

Students from Mosgiel's Taieri College celebrate the end of NCEA exams in early December 2009. Secondary school students gain NCEA credits through both internal and external assessments and can accumulate credits within and across years.

Success in NCEA is assessed against nationally agreed standards of achievement. These standards align with both English and Māori language curriculums to ensure equity of access to the qualification.

The standards contributing to NCEA show differences between 'achieving the standard', 'achieving the standard with merit', and 'achieving the standard with excellence'. Since 2007, certificates can be endorsed with 'merit' or 'excellence' if students meet the requirements for these. Students need 50 credits at merit level (or higher) to earn an NCEA with merit, or at least 50 credits at excellence level to achieve an NCEA with excellence.

In 2008, 5.9 percent of candidates gained NCEA level 1 with excellence and 23.2 percent gained NCEA level 1 with merit.

NCEA level 1 To gain NCEA level 1, students must achieve 80 credits at level 1 or higher. Eight of these credits must be from numeracy standards and eight other credits must be from literacy standards. These can be assessed in English or in te reo Māori.

NCEA level 2 To gain NCEA level 2 requires a minimum of 60 credits at level 2 or above and 20 credits at any other level. Credits can be used for more than one qualification so some NCEA level 1 credits can count towards level 2. At level 2 there are no specific literacy or numeracy requirements.

NCEA level 3 For NCEA level 3, students need to achieve 80 credits, of which 60 must be at level 3 or above, and 20 at level 2 or above. At level 3 there are no specific literacy or numeracy requirements.

University entrance New Zealand has a common standard for university entrance, which requires evidence that a student has a reasonable chance of success at degree-level study. While this standard ensures entry to New Zealand universities, students may need to meet additional requirements to gain entrance to particular or restricted programmes at each university.

The current New Zealand university entrance requirements, using standards contributing to NCEA, are:

- level 3 or higher – 42 credits, including a minimum of 14 credits in each of two subjects from the 'approved subjects' list; with a further 14 credits from not more than two additional domains on the National Qualifications Framework or 'approved subjects', and
- level 2 or higher – 8 credits in English or te reo Māori; 4 credits must be in reading and 4 in writing. These are selected from a list of approved standards, and
- level 1 or higher – 14 credits in mathematics or pangarau (Māori mathematics).

The approved subjects list and the approved standards used to demonstrate literacy and numeracy ability are on the NZQA website (www.nzqa.govt.nz).

Scholarships Scholarship is an external exam or assessment for top secondary students. Students usually enter in year 13, which is their last year of school. Scholarship exams are based on level 3 standards that relate to the New Zealand Curriculum or Te Marautanga o Aotearoa (the Māori-medium schools' curriculum) studied in year 13.

Gaining a scholarship does not count towards NCEA credit, or a qualification, but does appear on the student's record of achievement.

Exam twitter

Students sitting NCEA (National Certificate in Educational Achievement) and Scholarship exams in 2009 had an option to sign up and receive reminders and updates through Twitter, a social networking site.

The New Zealand Qualifications Authority (NZQA) added 'tweeting' to its more traditional communication methods (through schools, the media, and its website), to give students reminders about exam times and rules, and local information – such as any traffic problems.

Messages were sent in plain English, not the shortened text language often used on cellphones, and not during exam times.

Bali Haque, NZQA's deputy chief executive for qualifications, noted a certain irony in the offer, "One of the regular messages we'll be sending through cellphones is that students should turn them off and leave them outside the exam room," he said.

About 1,500 of the 140,000 students sitting exams signed up for the offer. NZQA sent 17 tweets over the course of the exams and the release of results, from 29 October to 13 January.

NZQA is unsure if it will use Twitter for future exams.

Source: New Zealand Qualifications Authority

Getting a measure of science students

A rapidly growing demand for highly skilled workers has led to global competition for talent. While basic competencies are important for absorbing new technologies, high-level skills are critical for creating new knowledge, technologies, and innovation.

The Organisation for Economic Co-operation and Development (OECD)'s Programme for International Student Assessment (PISA) has an innovative approach to examining educational excellence. It directly assesses students' knowledge, skills, and attitudes, and explores how these relate to the characteristics of individual students, schools, and education systems.

Based on PISA survey results, the OECD report *Top of the Class* examines who the highest performing students are, the characteristics of schools they attend, to what extent these students engage in science-related activities outside school, the students' motivations and attitudes towards science, and what their career intentions are.

New Zealand students scored highly in the 2006 PISA. Second only to Finland, 18 percent of New Zealand 15-year-olds were in the top achievers' group.

On average across OECD countries, 1.3 percent of 15-year-olds reached level 6 of the PISA 2006 science scale, the highest proficiency level. These students could consistently identify, explain, and apply scientific knowledge, and knowledge about science, in a variety of complex life situations. In New Zealand and Finland this figure was at least 3.9 percent, three times the OECD average.

"Top science performers are engaged in learning, confident in their ability to learn, have positive teaching and learning relationships with their teachers, and learn through real-life, relevant experiences," Mary Chamberlain, group manager of curriculum teaching and design at the Ministry of Education, says.

The report shows that most New Zealand students are in schools with top science performers. And that there is no longer a gender gap, compared with 10 years ago. However the report also indicates there is still a wide gap between the highest and lowest performing students, and other reports show science achievement is not as strong in primary schools.

Source: OECD; Ministry of Education

Administration of education

Ministry of Education

The Ministry of Education Te Tāhuhu o te Mātauranga is the government's lead adviser on the New Zealand education system, and shapes the direction for sector agencies and providers. It supports the early childhood, school, and tertiary education sectors by:

- developing strategic policy, providing leadership, and delivering services
- ensuring that education providers have the resources and support they need to deliver education to students
- providing education programmes, information, and support to parents, iwi (tribes), Pasifika people, and community groups
- delivering intervention, policies, resources, and services to groups or individuals who need additional support (including young people with special education, developmental, or learning needs)
- managing all education property owned by the Crown – including building new schools, and upgrading and improving existing property.

The Ministry of Education is committed to building and supporting a world-leading education system that equips all New Zealanders with the knowledge, skills, and values to be successful citizens in the 21st century. The ministry's focus is:

- increasing participation in high-quality early childhood education
- building strong foundations in primary schooling with an emphasis on literacy and numeracy
- increasing student presence and engagement in secondary schooling, to ensure more students leave school with meaningful qualifications
- ensuring tertiary education is of high quality and relevant, and meets student and labour market needs
- ensuring that Māori and Pasifika students, and students with special education needs or disabilities, are supported to achieve success and realise their potential.

The ministry has around 3,400 employees located in 51 sites. The secretary for education and six deputy secretaries are based in the national office in Wellington. Deputy secretaries are responsible for: strategy and system performance, people and business capability, schooling, early childhood and regional education, special education, and Māori education.

Future needs A key planning role for the Ministry of Education is assessing the need for new schools and classrooms. The primary school (5 to 12-year-olds) roll peaked at 487,000 in 2003. Following a period of decline, primary school enrolment increased in 2009. The primary roll is forecast to increase further due to higher birth rates than expected.

The secondary school roll peaked at 278,000 in 2009 and is forecast to fall over the next 10 years.

In addition to rises and falls in national figures there is significant variation in student numbers across the country. The projected roll figures for the wider Auckland area are still expected to grow, as are Hamilton, Bay of Plenty, the fringe of Christchurch, and parts of greater Wellington.

Four new schools opened in 2010 – permanent facilities at Albany Senior High School, and Remarkables Primary, Rolleston Primary, and the relocated Wanaka Primary School. In addition, Te Wharekura o Mauao opened in temporary facilities in 2010 and Te Kura Kaupapa Māori te Kotuku has new facilities. Four other schools are scheduled to open in 2011. Land is being purchased to ensure sites are available for future new schools. An additional 188 classrooms were planned to be built in 2010 to meet increased school rolls.

Education Review Office

The Education Review Office Te Tari Arotake Mātauranga (ERO) is a government department that reports publicly on the quality of education and the care of students in schools and early childhood services. ERO's findings help parents, educators, managers, and others make decisions and choices.

ERO has approximately 150 review officers in regional offices, a national evaluation unit that reviews kura and kōhanga reo (Māori-medium education), and a Pacific evaluation unit.

In an education review, ERO investigates and reports to boards of trustees, early childhood service managers, and the government on the quality of education provided for students in individual services and schools.

School and early childhood service reviews are scheduled, on average, once every three years. The review schedule is based on previous performance and current risk analysis – reviews are more frequent in cases such as low-quality performance, or where there are major risks to students and their safety, and less frequently (four-to-five years) for high-performing schools. ERO's reports on individual schools and services are available from the individual school or service, from any ERO office, or from the ERO website (www.ero.govt.nz).

ERO also publishes national reports that evaluate specific educational issues, using information from its reviews.

New Zealand Qualifications Authority

The New Zealand Qualifications Authority Mana Tohu Mātauranga o Aotearoa (NZQA) role is to be the independent and impartial expert organisation that can be relied on to administer robust National Qualifications Framework assessment systems, and provide quality-assurance systems that reflect statutory requirements.

NZQA's main functions are to:

- develop, register, and support New Zealand qualifications and the National Qualifications Framework
- manage the external assessment of senior secondary school students and maintain records of achievement
- quality assure training providers, their programmes, and courses; moderate assessment activities and processes
- ensure international recognition of New Zealand qualifications and their equivalence with overseas qualifications.

NZQA has six priorities to ensure New Zealand qualifications are accepted as credible and robust, nationally and internationally, and to help learners succeed and contribute to New Zealand society. The priorities are that:

- tertiary education organisations apply robust quality assurance processes, through ongoing internal self-assessment and periodic external evaluation and review, for a positive impact on the quality of tertiary learning
- the New Zealand Register of Quality Assured Qualifications and the National Qualifications Framework are more useful and more easily understood by learners, employers, and providers
- Māori educational achievement increases by implementing Te Rautaki Māori
- NCEA enhancements contribute to lifting educational standards and integrating NCEA with other framework qualifications more effectively, so all students leave school with worthwhile qualifications
- there is increased understanding, comparability, and recognition of New Zealand qualifications in key education and immigration partner countries
- there is commitment to increased efficiency and effectiveness while striving for operational excellence.

Second-language learning at primary school

Image removed due to copyright issues

The New Zealand Herald

Shirley Stananought teaches French to years 7 and 8 students at rural Ardmore School. She says the children enjoy learning, and many continue to learn a second language at high school.

In 2010, learning another language became a key learning area in the New Zealand Curriculum. All schools with years 7 to 10 students must now be working towards offering opportunities for learning a second or subsequent language.

However, some schools had already begun. In 2009, seven Pakuranga Intermediate teachers started with

Spanish. Having more than one or two teachers taking Spanish classes means the learning can be reinforced daily in the classroom, and not be confined to the weekly one-hour of direct teaching. And teachers can support each other.

The experience has led to students speaking more positively about their own languages and some Pasifika

students in particular wanting to learn their own language.

Deputy principal Susan Heeps says students appreciate that their teachers are learning the language along with them. "They treat me as a fellow learner – and can see your excitement and dedication to learning," she said.

In 2010, once again all year 8 students at Pakuranga Intermediate were learning Spanish.

The Pakuranga teachers were among more than 150 teachers from around New Zealand who completed a professional development programme that started as a pilot in 2005 for teachers of German and Spanish in Auckland and Northland. Since then, the programme has expanded to include teachers of Chinese, French, and Japanese. In 2010, gagana Samoa and Cook Island Maori were added; other Pasifika languages will be available in the next two years.

The Learning Language series of resources is available to schools in all these languages, and in te reo Māori. Other resources are available from the learning languages community on the Ministry of Education's website (www.tki.org.nz).

The Ministry of Education says that after English and te reo Māori, French has the most students in New Zealand, then Japanese, and the number of Spanish learners is rising rapidly. German, Chinese, Samoan, and Tongan also have a significant or increasing number of students.

Source: New Zealand Education Gazette

Image removed due to copyright issues

Otago Daily Times

University of Otago student Jordan Campbell's summer job involved designing artificial spider legs. By studying the intricate and efficient way that spiders move, researchers can create 'bristlebots' – tiny robots made from tooth-, nail-, and dish-brushes – to develop and test minute sensors and 'brains'. And the space agency NASA is interested. Jordan is one of 1,600 tertiary students who received a 2009/10 summer scholarship from a new scheme jointly funded by the Government and universities.

Tertiary Education Commission

The Tertiary Education Commission Te Amorangi Mātauranga Matua (TEC) manages government funding for tertiary education organisations, provides policy advice and implementation across the sector, and supports organisations. The TEC was established in 2003.

Government investment of \$4 billion each year into the tertiary education system contributes to New Zealand's social and economic growth. The system delivers greater prosperity, security, and opportunities for New Zealanders, enabling them to develop skills to help reach their potential.

Government priorities for tertiary education are:

- a high-trust and high-quality tertiary funding environment
- all students leaving the education system with worthwhile qualifications
- an appropriately trained and competent workforce.

All forms of post-secondary school education and training come under the TEC's umbrella. These include literacy and numeracy education, academic study, modern apprenticeship training, and work-related training through to doctoral research.

New Zealand Teachers Council

The New Zealand Teachers Council Te Pouherenga Kaiako o Aotearoa is a Crown entity established under the Education Standards Act 2001. The council provides leadership to the profession in

developing, establishing, and maintaining high teaching standards across the early childhood and school sectors.

The council determines the standards for teacher registration and issuing of practising certificates. Teacher registration is compulsory for teachers in a state or private school. In an early childhood education service, this applies to those in the position of 'person responsible', and the increasing number of early childhood education teachers.

A teacher's practising certificate is valid for three years. New Zealand had almost 93,000 teachers with a current practising certificate in December 2009, compared with 88,000 in December 2008 and 85,000 in June 2005. All registered teachers are on the register. If a teacher has conditions placed on their practising certificate or they have been de-registered this shows on the publicly accessible website (www.teacherscouncil.govt.nz).

In conjunction with quality-assurance agencies, the council approves teacher education programmes to ensure that qualification standards are maintained.

The council has a disciplinary role relating to teacher misconduct and reports of teacher convictions. It also sets criteria for reporting serious misconduct and for reporting on competence and impairment issues.

Learning Media Ltd

Learning Media Ltd Te Pou Taki Kōrero is a state-owned enterprise whose services and products contribute significantly to education in New Zealand and internationally. Learning Media designs and delivers many of the educational resources the Ministry of Education provides to New Zealand teachers and students. It also creates and implements key professional development programmes.

Learning Media is a major publisher of resources in te reo Māori and five Pasifika languages.

The company also produces educational resources in different media for other New Zealand public and private sector organisations, and has built a significant global presence through exports to Canada, the United States, Australia, Europe, and the Pacific.

Other administrative bodies

Boards of trustees All state and state-integrated schools are governed by boards of trustees. Boards include three to seven parent representatives, the school's principal, and a staff representative. Parent representatives are elected by parents of students enrolled at the school. Schools with students above year 9 must have a student representative on the board. Boards may coopt additional members to ensure, for instance, that there is gender balance and that the board reflects the ethnic and socio-economic diversity of the student body of the school. The proprietors of state-integrated schools may appoint up to four representatives to their boards.

Boards of trustees work in partnership with their communities, principals, staff, and the government to ensure the best possible educational outcomes for their students. In consultation with its community, each board develops a school charter that communicates the vision and direction of the school, its long- and short-term goals, and its approach to meeting legal responsibilities. Boards are accountable for meeting their charter's objectives and for managing funds they receive from the government to run the school. They must present an annual report to their community and the Ministry of Education in April or May each year.

Tertiary councils Under the Education Act 1989, tertiary institutions (universities, polytechnics, and wānanga) are governed by councils. Council members represent business, industry, local authorities, universities, and women's and ethnic groups, as well as other educational and community interests. Each university's council is the governing body. In August 2009, the government introduced the Education (Polytechnics) Amendment Bill to enable new governance arrangements for institutes of technology and polytechnics to be implemented.

Government funding

Table 9.01 (overleaf) shows that government spending on education from 1998/99 to 2007/08 increased steadily, both in dollar terms and generally as a proportion of government expenses.

Early childhood education

Early childhood education funding is paid to licensed early childhood service providers. Services must be licensed under the Education (Early Childhood Centres) Regulations 1998 or Education (Early Childhood Services) Regulations 2008.

[Note: Existing licensed services can remain licensed under the 1998 regulations or the Education (Home-based Care) Order 1992 (for home-based services) until they move to the 2008 regulatory system. This transition will be completed by 30 November 2014.]

Pasifika education in action

Excitement, joy, anticipation, and a sense that although one journey was ending another was beginning – all were felt at the launch of *Gagana Tokelau: The Tokelau language guidelines* in May 2009.

Work on the guidelines was instigated by the Tokelau community who wanted their language to be taught in New Zealand early childhood services and schools. In December 2004, a team of three Tokelauan writers began work on the guidelines.

Tokelau culture places a high value on sharing resources. The Tokelau tradition of *inati* (sharing) can be used to describe how language and cultural knowledge from the community can be shared with teachers and students in New Zealand schools through the new guidelines.

The guidelines are part of a Ministry of Education work programme for Pasifika students (The Pasifika Education Plan). The four-year plan is guiding change in the education system to ensure it includes the cultural needs of Pasifika students – to help them achieve their best.

Evidence shows that participating in high-quality early childhood education provides the foundation skills for students to achieve at school. The plan also focuses on:

- parental involvement in their children's education
- effective teaching that focuses on achievement
- Pasifika students achieving school-level and tertiary qualifications.

The Pasifika Education Plan is available on the Ministry of Education website (www.minedu.govt.nz).

Source: Ministry of Education

Table 9.01

Year	Government expenditure on education 1998/99–2007/08				
	Education expenses ⁽¹⁾ \$(million)	GDP ⁽²⁾	Education expenses as a percentage of GDP (%)	Total government expenses ⁽³⁾ \$(million)	Education expenses as a percentage of government expenses (%)
1998/99	5,337	104,689	5.1	34,367	15.5
1999/2000	5,712	111,025	5.1	34,536	16.5
2000/01	6,136	118,349	5.2	36,699	16.7
2001/02	6,473	125,795	5.1	37,970	17.0
2002/03	7,016	132,730	5.3	41,749	16.8
2003/04	7,585	142,746	5.3	41,608	18.2
2004/05	7,930	150,990	5.3	46,234	17.2
2005/06	9,914	156,325	6.3	50,238	19.7
2006/07	9,289	166,714	5.6	49,900	18.6
2007/08	9,551	180,077	5.3	56,997	16.8

(1) Education expenses exclude GST on Crown spending. Figures from the Treasury. (2) Gross domestic product. The expenditure measure of GDP in current prices. (3) Total government expenses exclude GST on Crown spending.

Source: Ministry of Education; Statistics New Zealand

To receive government funding, a service must be open continuously for at least one 2.5-hour-session a week. Each service can claim funding for up to six hours per child-place each day, to a maximum of 30 hours per child-place a week.

The funding subsidy is not intended to cover the full cost of providing early childhood education. Parents are expected to contribute to the cost of services through fees, donations, or fundraising activities. The funding system, introduced in April 2005, ensures that funding rates accurately reflect the costs of providing early childhood education.

Funding rates for teacher-led, centre-based services depend on whether the service is all-day or sessional (all-day funding rates are higher because of higher staff-to-child ratio requirements), the proportion of registered teacher hours, and the age of children attending. Funding rates for teacher-led, home-based, and parent/whānau-led services depend on whether they meet the standard or quality requirements, and the age of the children attending.

The 20-hours free ECE funding, introduced in July 2007, covers 100 percent of the average cost of providing the standard of early childhood education required by regulations. This includes staff costs, equipment and resources, property, and all other operating costs. Other funding streams available to early childhood education services are:

- equity funding (available for licensed community-based early childhood services that meet Ministry of Education criteria)
- an annual top-up for isolated services (available to those generating less than \$20,000 in funding subsidy and equity funding between 1 June and 31 May each year)
- incentive and support grants to help meet the cost of teachers becoming registered (available to teacher-led services)
- the Discretionary Grants Scheme (\$14.45 million available 2009/10) provides capital funding to support community-based services to build new, or retain or extend existing, services. This scheme is under review as the ministry considers more effective ways to allocate funds to better support early childhood education participation
- establishment grants that contribute to certain operational costs associated with establishing a new licensed service, or to extending a building to increase licensed child-places.

Compulsory schooling

Compulsory schooling is funded for state and state-integrated schools at levels adequate to ensure delivery of the curriculum to all students entitled to attend school. State and state-integrated schools receive operational funding, staffing entitlement, school property, and school transport assistance from the Ministry of Education. Expenditure is controlled by a school's board of trustees, with the board's financial management being audited by the Audit Office.

Private schools receive a government subsidy, and charge student fees.

All schools are reviewed by the Education Review Office for their provision of education, management, and governance.

Operational funding State and state-integrated schools receive operational funding on an entitlement and targeted basis. Operational funding levels vary according to school type, student numbers, and year levels. Schools may also receive the following targeted funding entitlements:

- Māori language resourcing – funding depends on the level of te reo Māori immersion in the programme
- Decile funding for educational achievement – funds to address barriers to learning associated with socio-economic factors, based on the school's roll and the location of students' homes

Image removed due to copyright issues

The Dominion Post

Steven Va'a checks his free lunch on National Lunchbox Day at Parliament in early 2010. Steven was at the launch of a month-long school food-safety programme. The campaign aimed to give primary students tips on keeping their food safe, such as using a frozen drink bottle to keep food cool.

- Isolation funding – recognises the additional costs of accessing goods and services needed to operate an isolated school and to deliver the curriculum
- Careers information grant – to provide school-based careers information for secondary students
- Secondary tertiary alignment resource – for senior programmes in area and secondary schools
- Special education grant – assists with support for students with moderate special education needs.

Many boards of trustees supplement this resourcing with funds raised by the local community to provide extra activities and staffing.

Staffing entitlement Schools receive a formula-driven entitlement to employ teachers. Above this entitlement, additional staffing is provided in response to specifically identified needs. Teachers' salary funding is managed centrally and accessed through the ministry's education service payroll.

School property New Zealand's state school property portfolio consists of about 2,159 schools and 903 houses. There are also more than 327 state-integrated schools. Although these schools are part of the state network, they are not owned by the Ministry of Education but by individual proprietors, mainly representing the Catholic church. Integrated-school proprietors may charge attendance fees to finance capital work; for full state schools this is the ministry's responsibility.

Of the full state school portfolio, 70 percent of schools are in urban areas and 30 percent in rural areas. There are nearly 21,000 individual buildings, of which 90 percent were constructed after 1950. The replacement value of the portfolio, excluding state-integrated schools, is \$11.5 billion.

Managing state school property is a shared responsibility between the ministry and each school's board of trustees. The ministry represents the owner, provides advice to both schools and the government on property management policies, and allocates capital funding to schools for property-related works. The ministry also maintains a database of all land and buildings, arranges insurance, town planning designations, building warrants of fitness, the sale of surplus property, and administers housing for some teachers and caretakers.

Boards of trustees for both state and integrated schools manage the daily needs of schools. This involves ensuring all building, and health and safety laws are met, as well as planning and implementing property-related works – to maintain and improve the teaching and learning environment. Boards of trustees own approximately 1,100 houses.

School transport assistance Students travelling long distances to school in areas where there is no public transport may be entitled to use a government-subsidised school bus, or get financial help for transport. Around 100,000 students use school buses each day. Another 5,000 students receive transport allowances because they cannot use a school bus or need to travel long distances to do so.

Bus operators are contracted to the Ministry of Education or to schools under school transport assistance. Approximately 1,600 school bus services carry students to and from school each day. Another 800 services transport some year 7 and 8 students to technology classes at other schools during the day.

Online with StudyLink

StudyLink launched MyStudyLink in November 2007. This online application allows students to update their personal details, view their student allowance and student loan application status, and apply for student loan course-related costs.

In September 2009, when StudyLink launched a new and improved website, it also released its new 'apply online' eligibility tool. The tool helps students assess their eligibility for different types of assistance – based on their individual circumstances – and apply online, all in one seamless process.

StudyLink has worked with Career Services and the Sorted website to bring together all the tools and information students need to make decisions about studying, about how to manage their finances, and on understanding the cost of study.

Source: Ministry for Social Development

Special education students also receive transport assistance, either by a contracted service or a transport allowance.

School boarding bursaries Boarding assistance is available to students who need to live away from home to receive their education. The annual value of a school boarding bursary is \$2,725, paid to the school in equal amounts at the end of each term.

Tertiary education

The government contributes over \$4 billion annually towards tertiary education – over \$1 billion in student financial support (loans and allowances) and nearly \$3 billion is invested in tertiary education providers and industry training organisations.

StudyLink services

StudyLink is a Ministry of Social Development service that connects people with the information they need to make informed decisions about student finances, and other study-related issues. It also provides financial support to students.

StudyLink provides services to more than 200,000 clients, through staff in 38 locations. See chapter 7 for more information about StudyLink.

Table 9.02

Student allowance and accommodation benefit					
By number of students and amount paid					
Year ending December 2004–08					
	2004	2005	2006	2007	2008
Number of students					
Student allowance	60,826	56,806	59,431	62,479	65,702
Accommodation benefit	48,143	43,644	45,068	45,976	46,109
Total students	60,958	56,811	59,459	62,505	65,705
Total payment \$(million)					
Student allowance	341.1	318.0	341.4	357.7	370.3
Accommodation benefit	42.6	44.0	48.7	50.8	52.5
Average payment (\$)					
Student allowance	5,608	5,597	5,744	5,724	5,636
Accommodation benefit	885	1,007	1,081	1,104	1,140

Source: Ministry of Social Development

Table 9.03

Student loans, repayments, administration fees					
By number of students and amount paid					
Year ending 31 December 2004–08					
	2004	2005	2006	2007	2008
Number of students					
Fees	145,549	143,406	156,236	160,855	166,112
Course-related costs	98,506	94,782	103,553	103,651	105,046
Living costs	77,507	73,668	80,921	87,175	88,850
Repayments and refunds	42,079	38,421	43,257	46,968	48,923
Administration fees	150,899	149,447	162,211	166,315	171,121
Total students	157,032	154,411	167,420	173,791	178,533
Total payment \$(million)					
Fees	589.6	609.8	688.7	736.1	787.8
Course-related costs	92.4	89.4	98.4	98.2	100.3
Living costs	293.0	282.5	311.3	337.5	344.3
Repayments and refunds	58.2	55.5	60.0	70.9	82.0
Administration charges	7.7	7.6	8.3	8.5	8.7
Average payment (\$)					
Fees	4,051	4,253	4,408	4,576	4,743
Course-related costs	938	943	950	948	955
Living costs	3,780	3,835	3,847	3,871	3,875

Source: Ministry of Social Development

Rural Education Activities Programme

The Rural Education Activities Programme is a community-managed package of educational resources that operates in 13 rural communities: the Far North, eastern Bay of Plenty, Tairāwhiti (East Coast), the Central Plateau, central King Country, Ruapehu, Tararua (southern Hawke's Bay), Wairarapa, Marlborough, Buller, Westland, Central Otago, and Southland.

Each programme provides educational support and assistance across the whole sector, from early childhood, through primary and secondary education, to adult and community education.

Adult and community education includes access to adult learning opportunities and assistance with meeting the community's adult education needs, as well as information and advice on community development, piloting new learning methods, and managing projects and programmes.

In 2005, the Tertiary Education Commission took over Rural Education Activities Programme funding for adult and community education from the Ministry of Education. The ministry continues to fund the programme's early childhood, primary, and secondary components.

Māori education

By 2026, the Māori population will be 31 percent greater than the 2006 estimate, and Māori will make up 17 percent of the total New Zealand population, according to the mid-range 2006-base projection.

Most Māori students are in English-medium (mainstream) education, although there is a steadily increasing number in Māori-medium/kaupapa Māori education – in early childhood, school, and tertiary learning environments.

A key Government education priority is for Māori to experience and enjoy education success as Māori. *Ka Hikitia – Managing for Success: The Māori education strategy 2008–12* outlines the Ministry of Education's direction, approach, and activity plan to achieve this priority.

Ka Hikitia focuses on improving the education system's performance, for and with Māori learners. The strategy is based on evidence of what works for and with Māori students, and uses a 'Māori potential' approach to outline changes needed to achieve the goal.

There are four focus areas, three of which mark points in education where coordinated activity will have the most impact on outcomes for Māori learners:

- foundation years (early childhood education and the first years at school)
- young people engaged in learning (specifically in years 9 and 10)
- Māori language in education (teaching of and through te reo Māori).

The fourth focus area, organisational success, focuses the ministry and the sector on changing how they work to support change in the education system.

Initiatives that support the direction and approach of *Ka Hikitia*, and the priority of Māori enjoying education success as Māori, include:

- professional development programmes for teachers, such as Te Kotahitanga
- professional development support for educational leaders, such as He Kākano
- programmes that focus on literacy and numeracy for Māori students, such as Reading Together
- literacy and numeracy national standards
- programmes supporting engagement in learning, such as the Youth Guarantee Scheme.

The ministry reports progress on implementing *Ka Hikitia* annually, through *Ngā Haeata Mātauranga – Annual Report on Māori Education*. More information on the Māori education priority is in the ministry's Statement of Intent (www.minedu.govt.nz). Further information about *Ka Hikitia* is also available on this website.

Māori Education Trust

The Māori Education Trust Te Tari o ngā Kaitiaki mō ngā Take Mātauranga Māori was set up in 1961 to encourage more Māori into tertiary education, and improve Māori educational achievement by providing financial assistance to Māori students.

The trust achieves this objective by administering and co-sponsoring scholarships for Māori students attending secondary and tertiary (undergraduate and postgraduate) courses, both in New Zealand and overseas. Income for scholarships comes from two dairy farms, investment interest, and fee-based service contracts with other organisations, including the Ministry of Education.

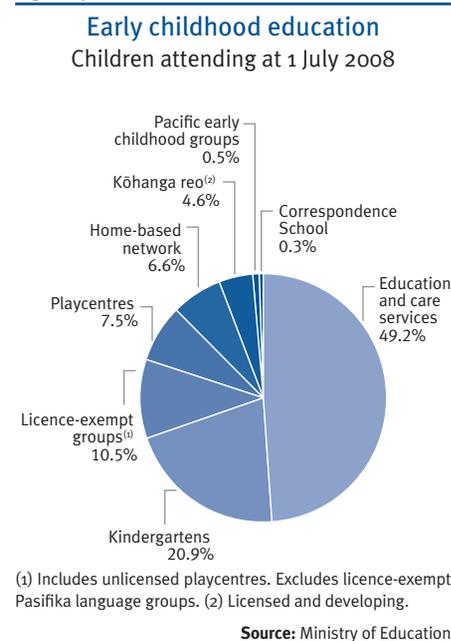
Early childhood education

Early childhood education (ECE) is non-compulsory education and care provided for infants, toddlers, and young children before they begin school. It is available to children under the age of six years. ECE includes education and care services, kindergartens, playcentres, home-based services, kōhanga reo (Māori medium), and Pasifika services.

Licensing and certificating ECE services ensures that minimum quality standards are maintained.

Since 31 December 2007, teacher-led, centre-based early childhood services require 50 percent of their teaching staff to hold an ECE teaching qualification recognised by the New Zealand Teachers Council for the purpose of registration. Home-based ECE services must have a coordinator who holds an ECE teaching qualification that is recognised by the council for registration.

Figure 9.01



Home-school partnerships

The New Zealand Curriculum sets the direction for student learning and provides guidance for English-medium state schools as they design and review their own curriculum.

One principle in the curriculum is community engagement, where schools ensure their curriculum has meaning for students, that it connects with their wider lives, and engages families, whānau, and communities.

Each school community develops their own home-school partnership to suit their context and meet their school goals.

The Ministry of Education has identified six key elements of successful home-school partnerships.

- Partnerships focused on learning have the biggest impact on student learning outcomes.
- Partnerships that align school and home practices, and enable parents to support their children in school, work best.
- Building strong home-school partnerships takes time and commitment from both partners.
- The relationship needs to develop from each individual school's circumstances and its community.
- The relationship needs to build from strengths rather than deficits.
- The relationship needs to be of equal partners. Programmes where the school is the dominant partner will not work as well as those where there is a genuine partnership.

The ministry has a website with information on how to establish a home-school partnership and case studies (www.home-schoolpartnerships.tki.org.nz).

Source: Ministry of Education

Image removed due to copyright issues

The Aucklander

Zenebe Tsega (right) from Ethiopia listens to his New Zealand-born daughter Ruhamah. Mr Tsega is part of the group setting up a new multicultural playgroup for refugee parents and their children in Auckland. The playgroup aims to become an early childhood centre to assist refugee families, who often have high education needs, and to help prepare the children for New Zealand primary schools.

Playgroups are community-based groups and may include those with a focus on Māori immersion, Pasifika ECE services, and general playgroups. Playgroups must be certificated and meet certain criteria to receive government funding.

Participation in ECE is vital to ensure young children get the best possible start in life. Figure 9.01 (previous page) shows the percentage of children enrolled in each type of ECE.

Kindergartens are education and care centres run by a kindergarten association. Most kindergartens cater for children aged between two and five years. Kindergartens often organise their services so that older children attend morning sessions five days a week and younger children attend afternoon sessions three days a week. Kindergartens are beginning to offer all-day sessions and may take children under two years.

Each kindergarten is run by a committee of parents and people from the community. The committee reports to its association. Kindergartens usually ask for a parent donation or fee. At 1 July 2009, there were 39,346 children enrolled in 626 licensed kindergartens.

Playcentres have parents, whānau (family), and caregivers who directly support their children's early learning. Most playcentres are licensed services that offer learning through play for children from birth to school age. Each playcentre sets its own session times and children attend up to five sessions a week. Parents become members of a playcentre when they enrol their child. They are then involved in running the centre and taking part in the daily programme.

Each centre is linked to a regional association, which belongs to the New Zealand Playcentre Federation, and adults are encouraged to work towards a playcentre qualification. Playcentres usually charge fees or request donations. At 1 July 2009, there were 15,171 enrolments in 461 licensed playcentres.

Kōhanga reo build children's and parents' knowledge of te reo Māori (language) and tikanga (culture), with whānau being closely involved in the child's learning and development. Children can be part of the kōhanga reo total immersion environment, where te reo Māori is used, from birth to six years of age. Parents manage and operate their kōhanga, within guidelines set by Te Kōhanga Reo National Trust Board, and are encouraged to take part in the daily programme. Kōhanga have a whānau contribution system, which may vary according to the needs of the whānau. This contribution can be koha – donations for food and/or paying fees. At 1 July 2009, there were 9,288 enrolments in 464 licensed kōhanga reo.

Pasifika ECE services offer programmes based on the values and languages of Pasifika cultures. The services cover Samoan, Cook Island Maori, Niuean, Tongan, Tokelauan, Tuvaluan, and Fijian nationalities. Services include playgroups that meet once or twice a week, and licensed education and care centres meeting all day, five days a week. Programmes emphasise language development, in both Pacific languages and English. Nearly all Pasifika ECE services are community owned and operated. At 1 July 2009, there were 52 licensed Pasifika education and care centres, most in the Auckland region.

Education and care services are licensed early childhood centres offering all-day or part-day services, and include crèche, workplace, and childcare centres operated by either community or private owners. Some services are based on a specific culture, or around certain education beliefs or methods, such as the Montessori or Rudolf Steiner centres.

The 'person responsible', who leads the educational programme, must hold an ECE teaching qualification recognised by the New Zealand Teachers Council for registration purposes. At 1 July 2009, 64 percent of usual teaching staff at teacher-led services were qualified. Depending on the centre, children may be accepted from birth to school age, and for most, children must be enrolled for a set period of time. Education and care services usually charge fees. Parents, whānau, or caregivers can be involved with management committees, or as voluntary helpers or fundraisers. At 1 July 2009, there were 101,424 enrolments in 2,236 licensed education and care services.

Home-based ECE services involve an educator providing education and care for small groups of young children in their home as part of a licensed home-based ECE service. Educators provide full-day or part-day education and care. They may also provide emergency care. A registered teacher (coordinator) from the network supports the educators' work and the child's learning programme. The coordinator also helps parents choose the right educator for their child and visits the home-based educator regularly to check on the child's safety, well-being, and learning progress. Home-based care services usually charge fees. At 1 July 2009, there were 15,054 children enrolled across 297 licensed home-based networks.

Playgroups are community-based, non-profit services run by groups of parents who meet to provide early childhood education for their children. To receive funding, community playgroups must be certificated and meet criteria set by the Ministry of Education. Active parental participation is required at all sessions. Many of these groups work with ministry staff to develop the learning programmes they offer. At 1 July 2009, there were 20,527 children enrolled in 672 playgroups.

Compulsory education

Compulsory education in New Zealand is divided into primary, intermediate, and secondary schooling.

Primary schools cater for children from the age of five (year 0) to the end of year 6. Children in years 7 and 8 may attend either a separate intermediate school, or part of a primary, secondary, or composite/area school. Secondary schools usually provide for students from year 9 until the end of year 13. Adult students who return to school enter in the year level that applies to most of their subjects. Composite/area schools, usually based in rural areas, combine primary, intermediate, and secondary schooling at one location.

A child aged between five and six years who starts primary school for the first time between July (when the school roll is counted) and the end of that school year, is classed as year 0. Children who begin school for the first time between 1 January and before the July roll count are classed as year 1. Children who start school for the first time after the age of six are placed in the same year as other children of the same age.

Primary schools are required to be open for at least 394 half days each year and secondary schools for at least 380 half days. The New Zealand school year is divided into four terms of approximately even length.

Table 9.04 (overleaf) shows the level of highest achievement, ethnicity, and sex of secondary school leavers in 2008.

Choices in schooling

While most students in New Zealand attend state-funded schools, parents/caregivers and students can choose from a number of schooling options.

State schools are coeducational (both sexes) at primary and intermediate level, but some offer single-sex education at secondary level. Lessons are based on the New Zealand Curriculum. Some state schools offer special programmes for adult students, or run community education classes.

Integrated schools are those that used to be private but have become part of the state system. They teach the New Zealand Curriculum, but keep their own special character (usually a philosophical or religious belief) as part of their school programme. Integrated schools receive the same government funding for each student as state schools, but as their buildings and land are privately owned, they charge attendance fees to meet property costs.

Kura kaupapa Māori are state schools where teaching is in the Māori language (te reo Māori) and is based on Māori culture and values. The curriculum is the same as at other state schools. Kura kaupapa cater for students from years 1–8 or years 1–13. The schools build on kōhanga reo (Māori language early childhood education centres) learning. A key goal of kura kaupapa is to produce students who are equally skilled in both Māori and English.

Independent schools (or private schools) are governed by their own independent boards, but must meet certain standards to be registered. Independent schools may be either coeducational or single sex. They charge fees, but also receive government funding. Boarding schools may either be independent or part of a state-funded school. All charge boarding fees.

Home-based schooling is available for parents and caregivers who want to educate their children at home. Parents and caregivers need approval from the Ministry of Education and must educate

their children at least as regularly and as well as at a registered school. Home-based schooling providers are given an annual grant to help with the cost of learning materials and can choose to purchase teaching services from the Correspondence School. Home-schooled children account for approximately 1 percent of total New Zealand school enrolments.

Designated character schools are state schools that teach the New Zealand Curriculum, but have been allowed to develop their own set of aims, purposes, and objectives to reflect their particular values.

Special schools are state schools that provide education for students with special education needs. The curriculum is the same as at other state schools. New Zealand has eight residential special schools.

The Correspondence School Te Aho o Te Kura Pounamu is New Zealand's largest school, with more than 22,000 students (around 14,000 students enrolled at any one time) studying full- or part-time, and staff based around the country. The school is funded by the Ministry of Education and administered by a board of trustees. It provides personalised learning programmes for students from early childhood to year 13, as well as for adult learners and those with special education needs. Students live in every part of the country and overseas and come from all walks of life.

Table 9.04

Secondary school leavers in 2008														
By level of highest attainment, ethnicity, and sex														
Highest attainment	NZ European		Māori		Pasifika		Asian		MELAA ⁽¹⁾		Other		Total	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
NZ Scholarship award or NQF ⁽²⁾ highest attainment at level 4 or higher	73	114	7	5	1	0	43	45	0	1	4	2	128	167
NCEA ⁽³⁾ level 3 or other level 3 NQF highest attainment	8,679	5,855	1,108	625	572	342	1,580	1,274	189	128	64	67	12,192	8,291
Year 13: Cambridge International Exams, International Baccalaureate, Accelerated Christian Education, or other overseas award	249	447	10	15	2	8	117	274	2	12	11	13	391	769
42+ credits at level 3 or above with UE ⁽⁴⁾	297	372	58	51	47	32	66	64	4	13	4	5	476	537
30+ credits at level 3 or above without UE	1,258	1,500	416	495	467	344	218	264	52	47	16	13	2,427	2,663
NCEA level 2 or other level 2 NQF highest attainment	2,648	3,240	854	912	470	464	198	285	58	88	25	26	4,253	5,015
Year 12: Cambridge International Exams, International Baccalaureate, Accelerated Christian Education, or other overseas award	20	50	2	3	0	0	16	29	0	6	1	2	39	90
30+ credits at level 2 or above	815	1,327	476	591	250	304	89	139	32	64	9	20	1,671	2,445
NCEA level 1 or other level 1 NQF highest attainment	821	1,186	348	385	89	77	36	39	10	13	4	7	1,308	1,707
40+ credits at any level including literacy & numeracy for NCEA level 1	317	435	266	283	59	99	5	29	7	13	3	6	657	865
40+ credits at any level without literacy & numeracy for NCEA level 1	313	625	237	274	81	155	22	44	1	15	4	6	658	1,119
Year 11: Cambridge International Exams, International Baccalaureate (prep year), Accelerated Christian Education, or other overseas award	5	5	1	0	0	1	2	0	0	0	0	0	8	6
14–39 credits at any level including literacy & numeracy for NCEA level 1	28	64	39	34	12	10	0	2	0	1	0	0	79	111
14–39 credits at any level without literacy & numeracy for NCEA level 1	345	512	274	332	101	117	31	41	11	15	5	6	767	1,023
1–13 credits at any level	160	255	145	161	40	68	6	13	8	6	3	5	362	508
No formal attainment	357	497	269	360	59	99	86	102	24	22	14	13	809	1,093
Total	16,385	16,484	4,510	4,526	2,250	2,120	2,515	2,644	398	444	167	191	26,225	26,409

(1) Middle Eastern, Latin American, African ethnic group. (2) National Qualifications Framework. (3) National Certificate in Educational Achievement. (4) University entrance.

Source: Ministry of Education

Table 9.05

Secondary school leavers in 2008														
By year level, ethnicity, and sex														
Level	NZ European		Māori		Pasifika		Asian		MELAA ⁽¹⁾		Other		Total	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Year 9	1	0	1	0	0	1	0	0	0	0	0	0	2	1
Year 10	29	32	16	34	1	9	2	2	0	2	2	0	50	79
Year 11	668	1,230	427	588	90	134	16	30	3	12	7	12	1,211	2,006
Year 12	2,749	3,623	1,243	1,331	318	362	147	199	42	73	22	34	4,521	5,622
Year 13	12,938	11,599	2,823	2,573	1,841	1,614	2,350	2,413	353	357	136	145	20,441	18,701
Total	16,385	16,484	4,510	4,526	2,250	2,120	2,515	2,644	398	444	167	191	26,225	26,409

(1) Middle Eastern, Latin American, African ethnic group.

Source: Ministry of Education

Assessing students

Assessment information gathered about students' progress and achievement is used to improve the quality of teaching programmes. Most information comes from ongoing classroom assessment. Strengths and weaknesses identified as a result of assessment are shared with students and parents. Parents are also entitled to ask for meetings with teachers to talk about their child's progress.

Achievement by primary students across New Zealand is monitored by assessing around 3 percent of 8- and 12-year-olds each year. The National Education Monitoring Project covers all New Zealand Curriculum learning areas on a four-year rolling cycle. At secondary school level, results from the National Certificate of Educational Achievement are used to provide national information about student achievement. A sample of New Zealand students also participates in international assessment studies to measure achievement levels against those of other OECD countries.

The National Assessment Strategy aims for an education system where assessment data is used to help decision making at all levels (in the classroom for teaching and learning, in the school for school review and improvement, and being at the centre of system improvement).

National Standards began to be implemented in 2010 for years 1 to 8. The standards provide reference points to show student progress through schooling. Standards describe the knowledge, skills, and understanding that students need in reading, writing, and mathematics (and oral literacy in the case of Māori-medium schools) to progress in all learning areas, and gain worthwhile qualifications in later years.

A key focus of the assessment strategy is to develop high-quality assessment tools, and appropriate advice, guidance, support, and professional development for teachers. A programme to align the most commonly used tools to the National Standards is being developed. As more research evidence is gathered these tools will be updated. The tools give teachers an external reference point for considering assessment information, allowing them to make an overall judgement on their students' progress and achievement.

The Assess to Learn Programme is a school-based programme that enables teachers to understand and develop new skills in professional inquiry. Important components of the programme include the ability to choose appropriate assessment tools, and to analyse and use assessment information to advance student learning. The programme will help schools implement National Standards effectively.

Further guidance for schools and teachers is available on the Ministry of Education's Te Kete Ipurangi website (<http://assessment.tki.org.nz>).

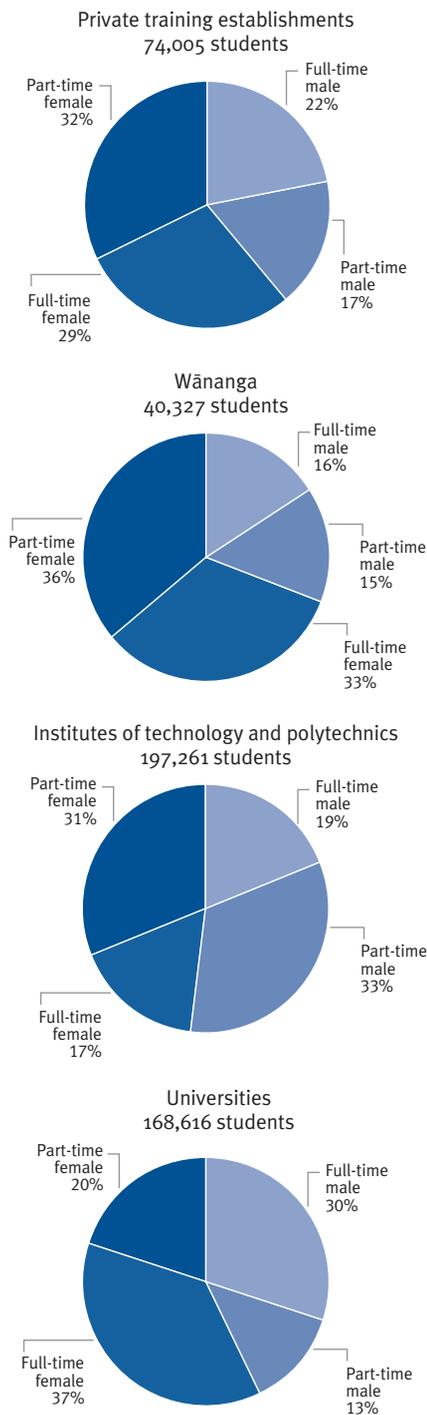
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The Dominion Post

Mason Masina (left) and Reid Loach, who has cerebral palsy, started at Wellington's Evans Bay Intermediate in early 2010. Reid's mother says that without resources to help special needs children it would be very hard for Reid to attend school. During 2010, the Government has been gathering feedback from teachers and parents on a special education report that looks at funding and resource allocation.

Figure 9.02

Tertiary attendance 2008



Source: Ministry of Education

Table 9.06

New Zealand Scholarship results in 2009

Subject	Level 3 students taking the subject	Percentage receiving Scholarship	Number achieving	
			Scholarship	Outstanding Scholarship
Accounting	2,919	3.25	87	8
Art history	1,843	2.88	45	8
Biology	7,981	3.25	228	31
Chemistry	7,232	3.00	194	23
Chinese	197	5.58	10	1
Classical studies	5,140	3.13	143	18
Drama	1,734	2.94	43	8
Economics	4,432	3.02	119	15
English	13,480	2.98	344	58
French	898	3.23	24	5
Geography	5,920	3.02	162	17
German	364	3.85	12	2
Graphics	1,448	2.90	36	6
History	5,356	2.99	143	17
Japanese	763	3.01	19	4
Latin	29	17.24	4	1
Mathematics with calculus	7,423	3.09	199	30
Media studies	2,659	3.08	74	8
Music studies	1,007	3.08	26	5
Physical education	3,796	2.40	90	1
Physics	6,461	2.85	163	21
Science	720	3.06	18	4
Spanish	263	3.04	7	1
Statistics and modelling	13,468	2.94	349	47
Te reo Māori	464	2.80	11	2
Te reo rangatira	62	9.68	5	1
Technology	1,349	2.00	22	5
Visual arts	6,171	3.08	165	25
Total	...	...	2,742	372

Symbol: ... not applicable

Source: New Zealand Qualifications Authority

Tertiary education

After finishing compulsory schooling, many New Zealanders continue their education at tertiary level. The tertiary sector encompasses adult and community education, industry training, foundation education (basic skills usually acquired at school), and study at tertiary institutions such as universities, polytechnics, wānanga (Māori tertiary institutions), and private training establishments.

Ministry of Education figures showed there were 502,000 students enrolled in all types of formal tertiary qualifications in 2008. Of these 39,800 were international students, 27,000 were in targeted training programmes, and 38,800 were students in courses less than one-week long. In addition, 195,000 learners were in workplace-based training, including 12,100 modern apprentices.

The introduction of funding caps on provider-based enrolments in 2003, and the subsequent reviews of non-degree qualifications, occurred when the unemployment rate was falling steadily. This led to more young people choosing to enter the workforce rather than tertiary study. However, a fall in domestic provider-based enrolments needs to be seen against a significant rise in workplace-based learning.

Tertiary qualifications are part of the 10-level New Zealand Register of Quality Assured Qualifications, which provides a common basis for the level, name, and size of qualifications. The register helps students transfer between qualifications, enabling people to build their skills over a lifetime.

The Government is developing a new *Tertiary Education Strategy 2010–15*. This strategy will outline a broad vision for the tertiary sector and the immediate priorities for achieving that vision, as well as articulating the expectations of providers, industry training organisations, and students. The public was consulted on a draft version of the strategy in late 2009. The final strategy takes effect in 2010 and will inform the three-yearly planning cycle that begins in 2011.

Initiatives to improve the affordability of tertiary education and increase student access include limiting increases to course fees. Since April 2006 student loans have been interest-free for borrowers living in New Zealand.

Improvements in the way public tertiary education institutions collaborate and coordinate, to offer more effective and diverse education services, include mergers between institutions, and the development of accords and working alliances between education institutions and industry bodies.

Universities

There are eight universities in New Zealand – Auckland University of Technology, Lincoln University, Massey University, the University of Auckland, the University of Canterbury, the University of Otago, the University of Waikato, and Victoria University of Wellington.

Universities have three core roles:

- to undertake research that adds to the store of knowledge
- to provide a wide range of research-led degree and postgraduate education that is of an international standard
- to act as sources of critical thinking and intellectual talent.

Universities are controlled by their own councils, established under legislation that maximises their autonomy and is consistent with normal requirements of accountability for public funding. Each university sets its own academic programmes, which are subject to external quality assurance, and each university council sets dates for terms or semesters.

Councils, which represent the interests of staff, students, and the community, set the institution's strategy, employ the chief executive, and oversee management of the university. Councils are also responsible for approving course regulations and for maintaining the equivalences of courses for degrees and other qualifications.

Polytechnics

Polytechnics and institutes of technology provide a diverse range of academic, vocational, and professional programmes, including trade training. They cover an increasing number of subjects at various levels of specialisation.

Polytechnics have three core roles:

- to deliver vocational education that provides skills for employment
- to undertake applied research that supports vocational learning and technology transfer
- to assist progression to higher levels of learning or work through foundation education.

There are 20 polytechnics in New Zealand – Northland Polytechnic, UNITEC New Zealand, Manukau Institute of Technology, Waikato Polytechnic, Bay of Plenty Polytechnic, Waiariki Institute of Technology, Tairāwhiti Polytechnic, Eastern Institute of Technology, Western Institute of Technology, Universal College of Learning, Whireia Polytechnic, The Open Polytechnic of New Zealand, Wellington Institute of Technology, Nelson Marlborough Institute of Technology, Tai Poutini Polytechnic, Christchurch Polytechnic Institute of Technology, Aoraki Polytechnic, Otago Polytechnic, Telford Polytechnic, and Southland Institute of Technology.

Wānanga

Wānanga are Māori tertiary institutions and have three core roles:

- to provide quality education that fits with kaupapa Māori – Māori philosophies, principles, and approaches

Guarantee for young people

The first stage of the Youth Guarantee Scheme was launched in 2010, targeting young people who are more motivated in a non-school setting. It gives suitable students the chance to take part in hands-on tertiary courses that will lead to a worthwhile career free of charge.

To qualify, students need to:

- be 16 or 17 years old, and not turning 18 within three months of starting the course
- have achieved NCEA level 1 or less
- have been thinking of leaving school and getting work, or prefer working on a career rather than staying at school
- want to learn practical skills
- be more motivated in a non-school setting
- be prepared to enrol in a full-time course for at least one year.

A range of career or job programmes are available under the Government's Youth Guarantee Scheme. These include automotive engineering, business administration, and carpentry. In 2010, about 2,000 places were available at 28 different tertiary training providers across the country.

Students must attend classes at one of the selected tertiary providers – no distance-learning courses are included in the scheme. And because courses are free, students can't get a student loan, although they can apply for an allowance.

Courses are linked to levels 1 to 3 on the National Qualifications Framework and each has a clear, job-based outcome.

To help with the transition from school to tertiary training and work, students also receive learning and cultural support, career planning and advice, counselling, and have opportunities to take part in extra-curricular activities.

From 2011, the courses at tertiary providers will be complemented by initiatives such as trades academies, where schools, tertiary providers, and workplaces can share resources, staff, and experience to support students.

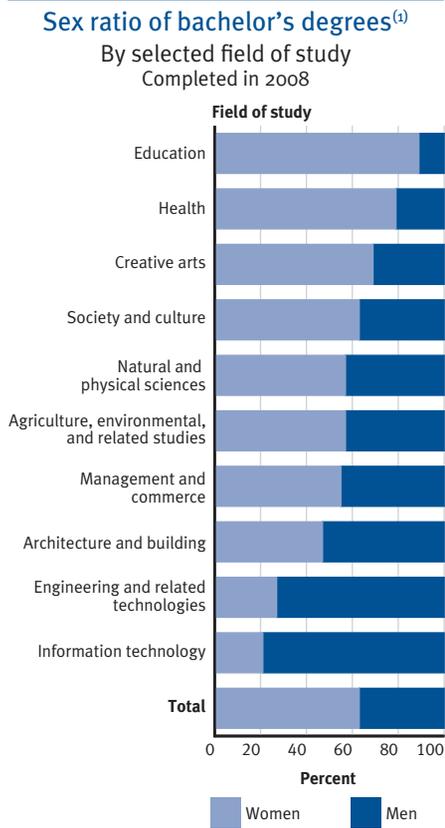
Source: Tertiary Education Commission

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Otago Daily Times

Lan Pham (left) and Penny Dickson from Dunedin prepare for Te Wānanga o Aotearoa graduation held in April 2010. Over 200 people graduated from Māori language, business, and media practice courses at the ceremony. New Zealand's three wānanga (Māori tertiary institutions) had 42,566 students in 2009.

Figure 9.03



(1) Completed at public tertiary education institutions.

Source: Ministry of Education

- to undertake teaching and research that maintains, advances, and disseminates knowledge, develops intellectual independence, and assists with applying āhuatanga Māori (traditional) knowledge according to tikanga Māori (custom)
- to contribute towards the survival and well-being of Māori as a people.

The three wānanga – Te Wānanga o Aotearoa in Te Awamutu, Te Wānanga o Awanuiarangi in Whakatane, and Te Wānanga o Raukawa in Otaki – are governed in the same way as other tertiary institutions.

The Open Polytechnic

The Open Polytechnic Kuratini Tuwhera is the country's only broad-based national polytechnic, and is the specialist tertiary institution in open and distance learning. In 2009, it had 405 equivalent full-time staff and 31,421 enrolled students. Nearly all students are part-time learners.

The Open Polytechnic is a major educator of adult learners and people in the workforce. A large proportion of students are in paid employment, studying in their own time to enhance job and career opportunities. The polytechnic works closely with many industry training organisations to enrol a large group of industry trainees. It also provides staff training and development services to organisations.

The polytechnic's flexible service also ensures access to vocational learning for people otherwise unable to study due to distance, disability, or personal circumstances.

The polytechnic offers more than 1,300 courses and 150 programmes, from national certificate to diploma and degree level. It consults closely with industry and other interested groups to ensure qualifications are directly related to present and future workplace requirements. All degrees are approved by the New Zealand Qualifications Authority.

As well as supporting individual learners, the Open Polytechnic has led major collaborative projects contributing to e-learning development in New Zealand's tertiary education sector.

Industry training organisations

Industry training is focused on the workplace. It often involves on-the-job training, but can also include off-job training in a tertiary education organisation such as a polytechnic. Employees study to gain credits towards qualifications such as national certificates.

Industry training organisations have three core roles:

- to design national qualifications and run moderation systems to ensure fair, valid, and consistent assessment against national standards
- to arrange the delivery of training that enables trainees to attain these standards
- to provide leadership to industry on skill and training matters, identify current and future skill needs, and work with employers and employees to meet these needs.

Industry training is funded jointly by government and industry. It is coordinated by 39 industry training organisations, which are set up by industry and recognised by government under the Industry Training Act 1992.

Private training establishments

Private training establishments (PTEs) provide post-school education and training, and are operated by a wide range of companies, trusts, and other entities. The PTE sector is diverse, and includes small community organisations with a single educational focus through to large and complex, commercially-based organisations providing many courses. Each PTE has unique characteristics, goals, and objectives, allowing it to be flexible and responsive.

Private training establishments have two core roles:

- to offer flexible and responsive education programmes
- to focus on specific areas of study.

At September 2009, 717 PTEs were registered with the New Zealand Qualifications Authority (NZQA).

NZQA assures the quality of education services of all registered PTEs through a comprehensive quality assurance framework, including a rigorous entry process (registration), approval and accreditation of courses, and periodic external evaluation and review based on the PTE's self-assessment.

Adult and community education

Adult and community education (ACE) offers a range of community-based activities and programmes for adults that:

- engage learners who have not been well served by education in the past
- increase literacy, language, and numeracy skills for those needing them for work and further study

- help those seeking a way into tertiary learning
- contribute to the overall cohesiveness of the community.

ACE aims to engage people and communities in learning activities that interest them and challenge them to discover possibilities for themselves.

Career Services

Career Services Rapuara assists all New Zealanders to be the best they can by encouraging and supporting them to make quality decisions about their work.

Career Services works in partnership with other government agencies and organisations, advising them how to incorporate career information into their work – based on research evidence and practical industry experience.

The Career Services website provides free, impartial, and up-to-date information on jobs, industries, training, qualifications, and the labour market. The website also features My Career Space, a tool that provides a secure online space for clients to hold their career information.

Personal assistance is available by telephone, email, online chat, texting, and face-to-face meetings. Assistance includes:

- career information enquiries to a freephone number (0800 222 733) or at regional centres
- customised career planning (in a group) for secondary school Māori and Pasifika students, prospective tertiary students, migrants, and refugees
- customised career planning help for individuals, in person or by telephone.

In the year ending 30 June 2009, more than 2 million people accessed career information and advice from the Career Services' website, nearly 7,000 received one-to-one customised career planning help, and over 62,000 people accessed personal assistance services.

Table 9.07

Enrolments at tertiary institutions⁽¹⁾⁽²⁾ By field of study, level of study, and sex 2009

Field of study	Certificate		Diploma		Bachelor's degree		Postgraduate		Total students	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Natural and physical sciences	3,912	3,529	2,897	3,096	18,334	17,328	2,786	3,672	27,567	27,105
Information technology	10,225	6,061	3,064	6,626	7,318	12,389	534	1,727	20,925	26,233
Engineering and related technologies	4,100	29,794	931	5,809	1,664	4,576	1,667	5,974	8,268	45,356
Architecture and building	903	10,348	825	2,524	1,869	2,454	482	433	4,044	15,642
Agriculture, environmental, and related studies	7,494	18,710	833	997	2,201	1,968	562	509	10,947	21,949
Health	11,745	15,834	6,252	2,829	18,264	6,613	6,633	1,688	41,862	26,441
Education	3,985	1,807	9,820	2,343	15,288	3,398	2,969	1,066	31,527	8,472
Management and commerce	48,432	24,899	11,874	8,423	25,278	23,122	3,991	4,669	87,149	59,529
Society and culture	35,130	20,559	16,943	8,843	46,374	31,180	6,962	4,899	101,791	63,515
Creative arts	8,987	7,067	7,253	5,741	15,025	9,445	2,200	1,327	32,819	23,136
Food, hospitality, and personal services	9,992	4,486	2,630	1,560	361	206	21	48	12,732	6,176
Mixed field programmes	22,635	13,762	4,471	1,816	236	171	32	22	27,260	15,719
Total students	110,672	107,599	46,948	34,095	92,142	60,835	25,307	20,585	257,403	211,704

(1) Data includes international and domestic students. (2) Some students may be enrolled in more than one field of study, or more than one qualification level – consequently, rows or columns may not add up to student totals.

Source: Ministry of Education

Table 9.08

Qualifications completed⁽¹⁾⁽²⁾⁽³⁾ By award level, education provider, and sex 2008

Award level	Universities		Institutes of technology and polytechnics		Wānanga ⁽⁴⁾		Public providers		Private training establishments		Total students	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Certificate 1–3	902	603	9,864	11,640	9,090	3,694	19,647	15,857	6,843	3,711	26,326	19,441
Certificate 4	751	495	3,462	3,117	1,930	920	6,137	4,526	3,208	1,595	9,329	6,115
Diploma 5–7	1,487	1,125	4,039	2,489	858	403	6,379	4,014	3,470	2,917	9,830	6,923
Bachelor's degree	11,897	7,318	2,365	996	176	65	14,414	8,352	298	155	14,712	8,507
Graduate certificate/diploma	2,311	1,236	261	213	0	0	2,571	1,448	248	250	2,819	1,698
Honours & postgraduate certificate/diploma	4,623	3,163	329	88	13	6	4,958	3,245	217	150	5,164	3,390
Master's degree	2,129	1,691	61	42	5	2	2,192	1,732	54	49	2,246	1,781
Doctorate	398	403	...	...	...	...	398	403	...	...	398	403
Total students	24,027	15,663	19,786	18,220	11,808	4,967	54,994	38,576	13,624	8,560	68,029	46,812

(1) Students who completed more than one qualification are counted in each level of qualification they completed. (2) Students who completed a qualification at more than one provider are counted in each provider – consequently, the sum of students at each provider may not add up to the total number of students. (3) Data excludes private training establishments not receiving government tuition subsidies. (4) Māori tertiary institutions.

Symbol: ... not applicable

Source: Ministry of Education

Table 9.09

Qualifications completed ⁽¹⁾⁽²⁾										
By field of study, award level, and sex										
2008										
Field of study ⁽³⁾	Certificate		Diploma		Bachelor's degree		Postgraduate		Total students	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Natural and physical sciences	267	110	325	188	1,527	1,199	701	581	2,763	2,042
Information technology	1,007	586	466	1,562	313	988	113	346	1,889	3,460
Engineering and related technologies	749	3,702	143	521	149	417	296	1,178	1,334	5,790
Architecture and building	108	2,135	130	238	346	373	74	52	655	2,791
Agriculture, environmental, and related studies	1,968	4,863	106	110	150	139	146	118	2,362	5,207
Health	2,986	1,649	1,401	473	2,864	792	2,345	533	9,494	3,425
Education	1,097	168	1,915	395	3,677	748	968	290	7,620	1,593
Management and commerce	10,752	4,417	1,864	1,307	3,927	3,226	1,289	1,499	17,687	10,345
Society and culture	10,465	5,101	2,302	1,458	5,243	3,273	2,104	1,207	19,717	10,829
Creative arts	1,651	895	1,364	1,116	2,300	1,090	388	240	5,640	3,303
Food, hospitality, and personal services	3,100	1,248	692	217	13	8	0	1	3,773	1,465
Mixed field programmes	2,268	1,157	52	26	0	0	0	0	2,319	1,181
Total students	34,481	25,003	9,830	6,923	17,318	10,059	7,739	5,543	68,029	46,812

(1) Students who completed more than one qualification are counted in each level of qualification they completed. (2) Data excludes private training establishments that did not receive government tuition subsidies. (3) Students can specialise in more than one field – they are counted in each field they specialised in.

Source: Ministry of Education

Vocational qualifications

Vocational qualifications are mainly the certificate and diploma qualifications registered on the New Zealand Register of Quality Assured Qualifications at levels 1 to 6. The wide ranges of qualifications available are primarily offered through institutes of technology and polytechnics, private training establishments, wānanga, government training establishments (eg the Police or armed forces' training), and in the workplace.

Industry training organisations (ITOs) are the main bodies developing industry-based qualifications that represent particular industry sectors. ITOs develop and maintain national unit standards that are based on the skills and qualifications required for their sector. They also facilitate on-job training and contract training providers to offer off-job training and courses.

All vocational qualifications are quality assured by the New Zealand Qualifications Authority or a delegated body before being placed on the register and delivered by an education organisation.

International students

Education providers have a responsibility to ensure that international students are well informed, safe, and properly cared for while they study in New Zealand. To support this, the New Zealand Government has developed a Code of Practice for the Pastoral Care of International Students.

All New Zealand education institutions that enrol international students must be signatories to the code. The code provides a framework for what education providers and their agents deliver to international students. It sets out minimum standards of advice and care that students can expect and provides a procedure they can follow if they have concerns about the treatment received from an education provider or agent.

International students intending to enrol with a New Zealand education institution or private training establishment should ensure that their chosen courses and providers are approved by the New Zealand Qualifications Authority (NZQA). This information is available from KiwiQuals, a database list of all quality-assured qualifications in New Zealand, on the NZQA website (www.nzqa.govt.nz).

Students require a visa for any course of study that is longer than three months. Student visas and permits are issued for the period for which fees have been paid. More information is available on the Immigration New Zealand website (www.immigration.govt.nz).

Table 9.10

International students studying in New Zealand ⁽¹⁾⁽²⁾								
2001–08								
Category	2001	2002	2003	2004	2005	2006	2007	2008
Primary and secondary students ⁽³⁾	11,330	16,010	18,080	15,050	11,984	10,363	10,869	10,521
Tertiary students ⁽⁴⁾	26,190	40,819	47,055	50,393	47,258	42,703	39,841	39,778
Students at English language providers ⁽⁵⁾ and on study tours	31,500	47,000	74,800	..	..	..	..	..
Total	69,020	103,829	139,935	65,443	59,242	53,066	50,710	50,299

(1) All figures independently rounded. (2) Regardless of length of stay. (3) Ministry of Education, at 1 July. (4) Ministry of Education, full-year data. (5) Survey of English Language Providers, year ending 31 March.

Symbol: .. figure not available

Source: Ministry of Education; Statistics New Zealand

Image removed due to copyright issues

The New Zealand Herald

Loane Seigner (left) from New Caledonia and Erica Park from Korea were two international students at the New Zealand Institute of Technology in Auckland in January 2010. All institutions that enrol international students must abide by a code outlining minimum standards of care for the students.

Education institutions set their own academic entrance requirements and fees. International students are not entitled to New Zealand student allowances or loans.

Information for international students about New Zealand, including courses of study, is available on the New Zealand Educated website (www.newzealandeducated.com). Another way to find information is through New Zealand Government offices in the student's home country, or by direct contact with the education institution a student wishes to attend.

Sector statistics

The following three tables provide information on the numbers of institutions, teachers, and students within New Zealand's education sector, for recent years and historically (table 9.13).

Table 9.11

Full-time-equivalent teaching staff at educational institutions

	At 1 July 2004–08				
	2004	2005	2006	2007	2008
Licensed early childhood services					
Kindergartens	1,673	1,672	1,672	1,671	1,860
Playcentres (includes unpaid adults on duty)	1,218	1,203	1,199	1,157	1,160
Education and care services – regular and casual	9,875	10,327	10,914	11,704	13,205
Home-based services – coordinators	305	293	264	288	348
Correspondence School	33	29	22	18	18
Kōhanga reo	..	..	..	..	..
Primary schools					
State	23,583	23,357	23,738	23,891	24,124
Private	464	446	450	458	449
Composite schools					
State	1,795	2,007	2,042	2,062	2,103
Private	1,186	1,294	1,270	1,364	1,461
Secondary schools					
State	17,279	18,044	18,471	18,679	18,785
Private	732	709	703	721	722
Special schools					
State	834	909	931	974	973
Private	...	..	...	...	...
Correspondence School					
Primary and secondary	285	244	210	205	211
Tertiary education providers – academic staff					
Public tertiary education institutions					
Polytechnics	4,405	4,362	4,396	4,330	4,364
Colleges of education	450	228	200	...	...
Universities	6,678	7,112	7,030	7,760	7,830
Wānanga	987	865	665	669	545
Private tertiary education providers					
	4,187	3,916	3,884	3,660	3,220

Symbols: .. figure not available ... not applicable

Source: Ministry of Education

Community education for migrants and refugees

It isn't easy arriving in a new country where you face a foreign language and unfamiliar ways of living and working, but learning can be fast with personal help.

English Language Partners New Zealand is a not-for-profit organisation that links adult migrants and refugees with volunteer tutors. By working mainly on a one-to-one basis, volunteers help new residents develop English language skills and can offer support in settling into what is often a very different culture.

And by working with learners in their homes, rather than at a class, volunteers help many women and men who would otherwise find it difficult to learn English.

In some parts of New Zealand the organisation also provides job mentors for skilled migrants and refugees wanting to enter the workforce. English for Employees is a nationwide part-time programme for people in employment who want to improve their language, literacy, and numeracy skills.

In 2008, English Language Partners' 200 staff and nearly 3,000 volunteer tutors provided government-funded English language tuition for 5,756 adult migrants and refugees, 4,254 of whom were women. A further 1,458 learners (who were ineligible for government funding) were also helped. As well as the one-to-one tuition that 3,539 people received, 3,923 learners attended a social English group – for tuition and friendship.

Asian migrants and refugees were the largest ethnic group receiving English language support in 2008, followed by people from Middle Eastern countries.

Source: English Language Partners New Zealand

Table 9.12

Formal educational institutions and students enrolled						
At 1 July 2007–09						
Institution type	2007		2008		2009	
	Number	Students	Number	Students	Number	Students
Early childhood education						
<i>Licensed early childhood education services</i>						
Kindergartens	618	43,695	622	41,487	626	39,346
Playcentres	466	14,664	464	14,929	461	15,171
Education and care services	1,932	91,733	2,047	97,756	2,236	101,424
Casual education and care (no regular roll)	36	...	36	...	297	...
Home-based services	227	11,073	244	13,065	464	15,054
Kōhanga reo	470	9,236	467	9,165	1	9,288
Correspondence School	1	737	1	591	38	627
Total licensed	3,750	171,138	3,881	176,993	4,123	180,910
<i>Licence-exempt early childhood education services</i>						
ECD ⁽¹⁾ funded playgroups	608	18,058	656	20,027	672	19,293
ECD ⁽¹⁾ funded ngā puna kohungahunga	30	343	32	454	44	277
ECD ⁽¹⁾ funded Pacific peoples language groups	62	964	53	914	27	630
ECD ⁽¹⁾ funded playcentres	22	335	24	353	24	327
Kōhanga reo	7	69	3	43	..	..
Total licence-exempt	729	19,769	768	21,791	767	20,527
Total early childhood education	4,479	190,907	4,649	198,784	4,890	201,437
Compulsory education						
<i>Primary schools</i>						
State full primary	1,090	167,863	1,087	167,307	1,077	165,438
State contributing	795	208,515	794	207,530	795	207,941
State intermediate	121	57,087	121	56,105	121	55,847
Private primary and intermediate	41	5,822	35	5,601	36	5,631
Total primary	2,047	439,287	2,037	436,543	2,029	434,857
<i>Composite schools</i>						
State composite	98	25,482	100	25,678	108	26,665
Correspondence School (state)	1	5,546	1	5,775	1	6,076
Private composite	48	16,707	46	17,137	42	16,518
Total composite	147	47,735	147	48,590	151	49,259
<i>Secondary schools</i>						
State years 9–15	238	206,125	239	206,333	241	209,502
State years 7–15	95	55,751	94	55,557	95	56,145
Private years 7–15 and years 9–15	18	8,209	20	8,259	18	8,225
Total secondary	351	270,085	353	270,149	354	273,872
<i>Special schools</i>						
State	46	2,748	46	2,754	46	2,813
Private	0	0	0	0	0	0
Other Vote: Education	1	51	1	58	1	58
Total compulsory schooling	2,592	759,906	2,584	758,094	2,581	760,859
Home schooling	...	6,473	...	6,501	...	6,787
Tertiary education providers⁽²⁾						
<i>Public tertiary education institutions</i>						
Institutes of technology/polytechnics	20	216,412	20	197,192	20	192,333
Universities	8	170,174	8	168,616	8	177,157
Wānanga	3	42,336	3	40,328	3	42,566
Total public providers	31	416,474	31	395,494	31	401,549
<i>Private tertiary education providers⁽³⁾</i>	241	77,777	204	74,199	202	77,041
Total tertiary	272	483,337	235	460,487	233	469,107

(1) Early childhood development. (2) Counts only institutions with formally enrolled students. (3) Number of PTEs that submitted a data return.

Symbols: .. figure not available ... not applicable

Source: Ministry of Education

Image removed due to copyright issues

The Dominion Post

Atawhai Osborne plays ki-o-rahi with classmates and a flax ball at Whakatapuranga School in Otaki. The game dates back to the early 1800s when it was used to train Māori warriors. Now, Sport Wellington is reintroducing the game to students.

Table 9.13

Education 1875–2008

Year ⁽¹⁾	Early childhood education ⁽²⁾		Primary ⁽³⁾⁽⁴⁾		Secondary ⁽⁵⁾⁽⁶⁾		Tertiary students				
	Providers	Students (ooo)	Schools	Students (ooo)	Schools	Students (ooo)	University ⁽⁷⁾⁽⁸⁾	Polytechnic ⁽⁸⁾⁽⁹⁾	College of education ⁽⁷⁾⁽⁸⁾	Wānanga ⁽⁸⁾	Private training establishment ⁽⁸⁾
1875	..	..	830	54.2	4	..	..	..	..	..	..
1880	..	..	1,171	95.2	14	1.6	211	..	..	..	..
1885	..	..	1,363	116.5	24	2.6	442	..	..	..	..
1890	..	..	1,566	134.1	22	2.1	596	..	..	..	..
1895	..	..	1,831	145.8	24	2.5	742	..	..	..	..
1900	..	..	2,157	149.4	86	6.9	805	..	..	..	..
1905	..	..	2,192	158.1	86	6.9	1,153	..	211	..	..
1910	..	..	2,508	179.6	94	9.1	1,862	..	380	..	..
1915	..	..	2,765	210.8	129	11.5	2,039	..	390	..	..
1920	..	..	2,777	225.3	131	15.4	3,822	..	680	..	..
1925	..	..	2,995	247.3	181	23.2	4,442	..	1,271	..	..
1930	..	..	3,045	252.6	209	31.0	4,801	..	1,155	..	..
1935	..	..	2,950	232.3	216	31.9	5,101	..	429	..	..
1940	..	..	2,656	243.3	234	36.1	5,528	..	1,457	..	..
1945	..	..	2,874	252.5	248	46.9	8,425	..	1,431	..	..
1950	..	..	2,377	304.6	269	53.7	11,515	..	2,684	..	..
1955	..	..	2,423	365.4	313	80.8	10,851	..	2,847	..	..
1960	..	..	2,517	425.0	354	111.4	15,809	7,663	3,828	..	..
1965	..	27.8	2,594	472.9	376	157.9	22,145	29,074	4,790	..	..
1970	..	41.1	2,595	516.7	386	186.8	31,908	43,204	7,587	..	..
1975	1,098	54.8	2,542	525.3	408	219.7	35,499	56,098	8,004	..	..
1980	1,208	56.9	2,595	507.9	394	226.3	43,933	73,067	5,919	..	..
1985	1,389	60.7	2,641	452.4	403	230.9	59,123	76,054	2,703	..	..
1990	2,890	118.4	2,460	420.4	400	230.2	78,919	56,771	5,766	..	..
1995	3,824	159.4	2,368	448.2	430	236.6	104,389	95,664	10,156	726	..
2000	4,175	174.2	2,268	484.2	456	245.5	139,109	127,685	14,394	4,251	54,741
2001	4,213	171.3	2,256	484.1	462	249.9	145,883	130,158	14,062	16,456	75,462
2002	4,228	175.0	2,235	488.7	464	259.7	154,371	143,773	13,692	43,358	86,328
2003	4,280	180.0	2,224	492.9	469	268.8	161,335	170,034	13,831	65,159	73,760
2004	4,374	184.5	2,171	488.1	500	276.6	164,557	190,640	14,242	69,742	78,789
2005	4,436	185.5	2,107	485.1	500	277.7	175,176	211,797	..	62,165	83,557
2006	4,496	184.5	2,098	482.8	500	278.0	172,354	213,796	..	48,791	81,033
2007	4,479	190.9	2,094	480.6	498	279.3	170,174	216,424	..	42,338	78,183
2008	4,649	198.8	2,084	477.9	500	280.2	168,616	197,192	..	40,328	74,199

(1) Year ending 31 December until 1925, then at 1 July. Figures from 1994 on have been revised and are not comparable with previous years. (2) Early childhood figures include only playcentres and kindergartens until 1990, then they also include childcare, kōhanga reo, and Pacific language groups. (3) Primary includes years 1–8 students at all schools. (4) Includes full primary, contributing, intermediate, and special schools. Special schools can contain years 9–15 students. (5) Secondary includes years 9–15 students at all schools. (6) Includes secondary and composite schools and the Correspondence School. Some of these schools also have years 1–8 students. (7) During 2005 and 2006, colleges of education merged with universities – university enrolments for these years also include remaining students enrolled at colleges of education. (8) From 2005 onwards, all tertiary figures are full year. (9) Prior to 1990, polytechnic figures included all students attending polytechnic. From 1990, they include only those attending on 31 July.

Symbols: .. figure not available ... not applicable

Source: Ministry of Education

Contributors and related websites

Career Services Rapuara – www.careers.govt.nz

Education Review Office – www.ero.govt.nz

English Language Partners New Zealand – www.esolht.org.nz

Learning Media Ltd – www.learningmedia.co.nz

Māori Education Trust – www.maorieducation.org.nz

Ministry of Education – www.minedu.govt.nz

Ministry of Social Development – www.msd.govt.nz

New Zealand Qualifications Authority – www.nzqa.govt.nz

New Zealand Teachers Council – www.teacherscouncil.govt.nz

Statistics New Zealand – www.stats.govt.nz

Tertiary Education Commission – www.tec.govt.nz

The Correspondence School – www.correspondence.school.nz

The Open Polytechnic of New Zealand – www.openpolytechnic.ac.nz

Image removed due to copyright issues

The Dominion Post

Constables Andrea Noble (left), Evelyn Bowcock, Tania Wilson, Amy Robertson, and Lisa Pomana won the five top prizes at the New Zealand Police graduation ceremony in June 2009. Police officers understand that having staff from a diverse range of ethnic and religious backgrounds, female and male, and from different sexual orientations, is valuable in communicating with the wider New Zealand community.

10 | Justice and law

Legal system

New Zealand is an independent state, with both a constitutional monarchy and a parliamentary democracy. As Head of State, the Queen is the source of legal authority, but she and her representative, the governor-general of New Zealand, act on the advice of the democratically elected government in all but the most exceptional circumstances.

New Zealand has inherited the ‘Westminster’ system of parliamentary government from the United Kingdom and, as part of that system, the doctrine of the separation of powers. The doctrine provides that the three branches of government – Parliament, the Executive, and the Judiciary – have different functions, each acting as a check on the others.

Parliament has the formal act of law-making as its function, which is carried out through scrutinising, amending, and passing bills that are introduced by government ministers or individual members of Parliament.

The Executive determines government policy, is responsible for the administration of law, and carries out all the powers and functions of organised central government through ministers directly, and through the public service and other bodies.

The Judiciary makes binding decisions of disputes between private individuals, and between individuals and the State, including determining how to apply, and the meaning of relevant laws.

Judges are appointed by the governor-general on the advice of the attorney-general. Anyone appointed as a judge must have held a practising certificate as a barrister or solicitor for at least seven years. Usually, those appointed to the judiciary have practised law for longer than this.

Judges in the Supreme Court of New Zealand, the New Zealand Court of Appeal, and the New Zealand High Court can only be removed from office by the governor-general, acting on advice from the House of Representatives, on the grounds of misbehaviour or incapacity. District court judges may be removed from office by the governor-general on the grounds of inability to perform or misbehaviour.

The Judicial Conduct Commissioner and Judicial Conduct Panel Act 2004 established a statutory complaints process for complaints about judges.

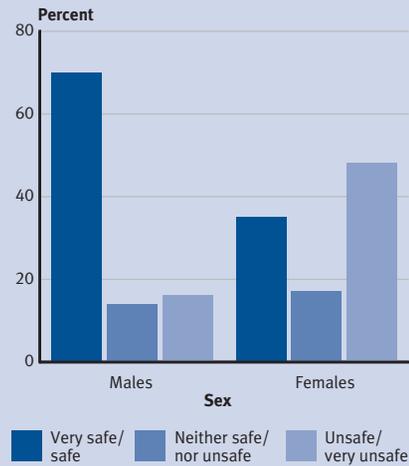
Feeling safe in the community

One-third of New Zealanders said they felt unsafe or very unsafe walking alone in their neighbourhoods at night. But over 90 percent can access support in a time of crisis.

These figures are from the General Social Survey, first released by Statistics New Zealand in 2009. The results also showed that women felt less safe than men did (35.0 percent and 69.5 percent, respectively, felt very safe or safe).

Feeling of safety when walking alone in neighbourhood at night

By sex
April 2008–March 2009



Distinct regional differences were also evident – for example, people in the Auckland region (48 percent felt safe or very safe) felt less safe than people in the Wellington (57.2 percent) or the ‘rest of the South Island’ (65.7 percent) regions.

Yet it’s possible that people’s perceptions of safety may not match the reality. In 2009 the Ministry of Justice carried out interviews with more than 5,000 people for the three-yearly Crime and Safety Survey.

This survey gives victims of crime the opportunity to express their views on public safety, their experience of crime and its impact, and their access to support services. Information on both reported and unreported crime is collected – the 2006 survey found that only one-third of offences mentioned by respondents were known to the Police.

Results from the 2009 survey will help identify those more at risk of becoming victims of crime and will also inform work being done to create safer neighbourhoods and communities.

A report on the Crime and Safety Survey is available on the Ministry of Justice website (www.justice.govt.nz).

Source: Statistics New Zealand; Ministry of Justice

Ministry of Justice

The Ministry of Justice Tahū o te Ture administers legislation and provides services that contribute to safer communities and a fairer, more credible, and more effective justice system by:

- developing robust policy advice that influences the direction of justice in New Zealand
- supporting an efficient and accessible court system
- providing effective services to support independent judicial decision making
- settling Treaty of Waitangi claims in a fair and durable way
- managing parliamentary elections and referendums effectively, to maintain public confidence in electoral processes
- working with communities to enhance safety and well-being.

The ministry delivers the following services on behalf of the government:

- administration, case management, and support services for the Supreme Court of New Zealand, the New Zealand Court of Appeal, the New Zealand High Court, and district courts, including the Family Court and Youth Court
- administration, case management, and support services to specialist jurisdictions, including the Māori Land Court, the Māori Appellate Court, the Environment Court, the Employment Court, and other authorities, committees, and tribunals
- administration, inquiry management, and support services to the Waitangi Tribunal; negotiations for settlement of historical claims arising from the Treaty of Waitangi; and management of land to be used in settlements
- administering parliamentary elections, by-elections, and referendums
- collecting and enforcing court-imposed monetary penalties and infringement fines, and enforcing civil court orders.

The ministry provides policy advice to a number of ministers and select committees, and works with a range of non-government organisations in crime prevention and other activities. This work includes:

- providing policy advice to the Minister of Justice, the Minister for Treaty of Waitangi Negotiations, the Minister for Courts, the Minister Responsible for the Law Commission, and the attorney-general
- providing briefings and advice to ministers and Cabinet to assist in developing government policy and changes to legislation
- providing support and advice to parliamentary select committees, including the Justice and Electoral, Law and Order, and Māori Affairs committees
- facilitating input into the justice system from the public, by managing consultation during legislation development and reform
- working directly with non-government agencies in crime prevention and other activities, such as partnerships with territorial authorities and iwi (tribes), and providing direct funding to support local initiatives.

The ministry has a mandate to lead the justice sector and to coordinate processes that ensure a collaborative approach that focuses on results.

The ministry’s leadership activities include: research and evaluation, advising on sector outcomes, linking cross-sector strategies, strengthening knowledge and information flows across the sector, and coordinating the sector’s annual budget process.

Hierarchy of courts

The Supreme Court of New Zealand is the country’s court of final appeal. The Chief Justice of New Zealand presides over the court.

Below the Supreme Court is the New Zealand Court of Appeal, then the New Zealand High Court and district courts, which are the main courts to exercise general criminal and civil jurisdiction.

There are also other courts and tribunals that have jurisdiction over specific areas of law, with rights of appeal to one or more of the four main courts.

Supreme Court of New Zealand

Established in 2003, the Supreme Court is New Zealand’s court of final appeal. It can hear appeals across almost all areas of law. While the right to appeal to the United Kingdom-based Judicial Committee of the Privy Council was abolished from 1 January 2004, certain appeals that were active before this date continue to be determined by the Privy Council.

The Supreme Court consists of the chief justice and up to five other judges. It is located in Wellington. A new building to house the Supreme Court was opened in early 2010. At April 2010, the Rt Hon Dame Sian Elias was the chief justice.

New Zealand Court of Appeal

The Court of Appeal hears civil and criminal appeals from proceedings heard in the High Court, and indictable criminal proceedings in district courts.

Matters appealed to the High Court from a district court can be taken to the Court of Appeal with leave, if they are considered to be of sufficient significance to warrant a second appeal.

The Court of Appeal may hear appeals against pre-trial rulings in criminal cases. The court also hears appeals on questions of law from the Employment Court.

The Court of Appeal is New Zealand's principal intermediate appellate court, and is located in Wellington. Its full-time membership is up to nine appellate judges and a president. At April 2010, the president was Hon Sir William Young.

New Zealand High Court

By statute, the High Court consists of the Chief Justice of New Zealand and up to 55 other judges across the higher courts – the Supreme Court, the Court of Appeal, and the High Court. Of these, 41 can be appointed to sit on the High Court. In addition, up to nine associate judges can be permanently appointed. The chief High Court judge is responsible to the chief justice for ensuring the orderly and prompt conduct of the High Court's business. The Hon Justice Winkelmann became the chief High Court judge in February 2010.

District courts

District courts hear the majority of criminal offences, and civil claims up to \$200,000. There are 63 district courts throughout New Zealand. Up to 156 District Court judges can be appointed, including the principal judges and judges of the Environment Court. District Court judges may hold warrants as Youth Court or Family Court judges. Community magistrates and some justices of the peace can hear certain cases in district courts. The District Courts Act 1947 sets jurisdiction for district courts. At April 2010, Chief Judge Johnson was the chief District Court judge.

Justices of the Peace are people of good standing in the community who volunteer to administer documentation and justice. They are appointed by the governor-general on the recommendation of a member of Parliament. Ministerial duties include witnessing documents, certifying copies, and taking declarations, affidavits, or affirmations. Judicial duties include hearing summary offences, presiding over preliminary hearings, conducting traffic courts, hearing bail applications and requests for remands and adjournments, and issuing search warrants.

Family courts are a specialist division of the district courts. Courts hear family and relationship matters, including adoption, care of children, care and protection of children who are abused or neglected, inter-country child abduction, consents for minors to marry, protection from domestic violence, separation, divorce, matrimonial/relationship property, compulsory mental health assessment and treatment, protection of personal and property rights for people who are incapacitated, claims for maintenance and support, and bequests from estates.

Family court proceedings are not open to the public. The Care of Children Act 2004 established the right of accredited news media organisations to attend family court hearings but it also sets important limitations on media coverage. There are 58 family courts throughout New Zealand. Family courts were established under the Family Courts Act 1980.

Youth courts are part of the district court structure. They hear all criminal cases where the alleged offender is aged 14–16 years – except for charges of murder, manslaughter, or when a young person chooses to have a jury trial. Proceedings are not open to the public. Media can attend, but specific conditions apply. The court was established under the Children, Young Persons and Their Families Act 1989.

Specialist courts

New Zealand has several courts with specialist functions.

The **Employment Court** hears and determines cases relating to employment disputes, particularly challenges to decisions of the Employment Relations Authority, and questions of interpretation of law. It has first-instance jurisdiction over matters such as strikes and lockouts. Judges of the court must have held a practising certificate as a barrister or solicitor for not less than seven years. The court consists of a chief judge and at least two other judges.

Normally, the court's jurisdiction is exercised by a judge sitting alone, but on significant occasions it will sit as a full bench of at least three judges. The Employment Court exercises jurisdiction under the Employment Relations Act 2000, the State Sector Act 1988, and other acts. Support for the Employment Court transferred to the Ministry of Justice from the Department of Labour in December 2004.

The **Māori Land Court** makes decisions on applications relating to the ownership, occupation, utilisation, and development of Māori land. The court also hears applications under new jurisdictions arising from the Māori Fisheries Act 2004, the Foreshore and Seabed Act 2004, and the Māori Commercial Aquaculture Claims Settlement Act 2004. The court can have up to

Judicial salaries and allowances

The salaries of judges are determined annually by the Remuneration Authority under the Remuneration Authority Act 1977. The Judicial Salaries and Allowances Determination 2009 set the rates below.

Judicial salaries and principal allowances

Effective 1 October 2009

	Salary	Principal allowance
	\$	
Chief Justice	437,500	7,900
Supreme Court judge	410,000	6,500
President Court of Appeal	410,000	6,500
Court of Appeal judge	385,000	5,600
High Court chief judge	384,000	5,600
High Court judge	366,500	5,600
District Court chief judge	366,500	5,000
Family Court principal judge	316,000	5,000
Youth Court principal judge	298,500	5,000
Environment Court principal judge	298,500	5,000
District Court judge	276,500	4,100
Employment Court chief judge	346,500	5,600
Employment Court judge	313,000	4,700
Māori Land Court chief judge	316,000	5,000
Māori Land Court deputy chief judge	298,500	4,700
Māori Land Court judge	276,500	4,100
High Court associate judge	276,500	4,100

Note: A principal allowance for the chief High Court judge for secondary residential accommodation in Wellington is subject to certain conditions. The maximum payable is \$20,000 a year.

Source: Remuneration Authority

Plain English helps in court

The District Courts Rules 2009 came into force in November 2009. These rules set the process that district courts must use in civil cases.

The new rules aim to make the process more user-friendly and easily accessible to all.

Two things improve access to justice. The first is to reduce the cost of getting a dispute to the point at which meaningful settlement negotiations can occur. The second is making that process more accessible for non-legal people who are making a claim or responding to one.

Because the process helps people to resolve their disputes without having to go to court, it is expected that the new process will be cheaper than before.

And providing forms in plain English makes access to the legal process easier.

The Ministry of Justice worked with plain English specialists to design and develop the forms for the first part of the new civil process.

All the forms are available online and can be filled in online. The forms have the WriteMark logo, which indicates they are as easy to use and understand as possible for the intended users.

Source: Ministry of Justice

Parenting through separation

Parents who attended the Ministry of Justice's Parenting through Separation programme said the experience led to less parental conflict for them – with children being less likely to be caught in the middle.

The programme is a free, voluntary, information programme that aims to educate parents about the effects of separation on children, teach parenting skills, and reduce stress on children during separation. It is delivered in small groups at more than 170 places around New Zealand.

Parents can attend a group at any time – when they're thinking of separating, during the process, or after being separated for some time. The programme includes a DVD for children.

A 2009 evaluation of Parenting through Separation found that more than 90 percent of parents surveyed said they'd been helped to understand how separation affected their children, and most thought conflict with their partner would be reduced.

More than 6,000 parents have attended the programme since it began in 2006. Both mothers and fathers have taken part, and they have been from all regions of New Zealand and from different ethnic groups.

The Parenting Plans booklet, which is part of the programme, won a plain English award in 2009. This means it is clearly written and easy to understand.

Source: Ministry of Justice

Image removed due to copyright issues

The New Zealand Herald

Principal Youth Court Judge Andrew Becroft and Superintendent Wally Haumaha (centre) during discussions at Manurewa marae. In late 2009, the marae became the second to have the Youth Court sit and hear cases. The first was in Gisborne in May 2008. More marae-based Youth Court sittings are planned for central Auckland, Hamilton, Whakatane, Rotorua, New Plymouth, and Christchurch marae.

14 judges, including a chief judge and a deputy chief judge. The court was established under the Native Lands Act 1865, and continued under Te Ture Whenua Māori Act 1993.

The **Māori Appellate Court** hears appeals from orders or preliminary decisions of the Māori Land Court, as well as cases stated by the Māori Land Court, the High Court, and the Waitangi Tribunal. Any three or more Māori Land Court judges have power to act as the Māori Appellate Court. The court was established under the Native Land Court Act 1894, and continued under Te Ture Whenua Māori Act.

The **Environment Court** considers appeals about regional and district statements and plans, and appeals from resource consent applications for land use, subdivision, water or discharge permits, or a combination of these. The Environment Court was constituted under the Resource Management Amendment Act 1996. The court has specialist judges, who are also district court judges and environment commissioners. The court has registries in Auckland, Wellington, and Christchurch. Sittings are held throughout the country, usually with one judge and two commissioners.

Coronial Services employs coroners – judicial officers appointed under the Coroners Act 2006. The coroner's role is to establish the cause and circumstances of sudden or unexplained deaths, and deaths in other special circumstances. As part of their enquiry, the coroner may authorise post-mortem examinations. They may also make recommendations or comments on ways to avoid future deaths.

Tribunals

More than 100 tribunals, authorities, committees, or related boards exist in New Zealand to deal with matters such as minor civil disputes, tenancy disputes, liquor licensing, taxation reviews, deportation reviews, land valuations, and occupational licensing. The Ministry of Justice provides administrative support for 25 tribunals.

Disputes tribunals are a division of district courts, and were established under the Disputes Tribunals Act 1988. They resolve disputes up to a value of \$15,000, or \$20,000 by agreement of the parties. Disputes referees preside over each tribunal.

The **Human Rights Review Tribunal** hears civil proceedings brought by individuals or by the director of human rights proceedings, for alleged breaches of the Privacy Act 1993, the Human Rights Act 1993, and the New Zealand Bill of Rights Act 1990. It also hears proceedings brought by the Office of the Health and Disability Commissioner under the Health and Disability Commissioner Act 1994. The tribunal has a chairperson – a barrister or solicitor of the High Court with at least five years' practice – who sits with two members appointed from a panel of up to 20.

Tenancy Tribunal adjudicators make decisions on disputes about residential tenancies, up to a value of \$12,000, brought to the tribunal by landlords or tenants. The tribunal was established under the Residential Tenancies Act 1986.

The **Waitangi Tribunal** is a permanent commission of inquiry. It makes recommendations on claims brought by Māori, relating to actions or omissions of the Crown that allegedly breach promises made in the Treaty of Waitangi. It also examines and reports on proposed legislation

referred to it by the House of Representatives or a minister of the Crown, and makes recommendations or decisions about certain Crown forest land, railway land, state-owned enterprise land, and land transferred to educational institutions.

The tribunal has a chairperson who is either a High Court judge, a retired High Court judge, or the chief judge of the Māori Land Court, and a deputy chairperson who is a judge of the Māori Land Court. It also has up to 16 members, appointed by the governor-general on the recommendation of the Minister of Māori Affairs. The tribunal was established by the Treaty of Waitangi Act 1975. (See also chapter 6.)

The **Real Estate Agents Disciplinary Tribunal** deals with matters on licensing and disciplining people licensed under the Real Estate Agents Act 2008 to carry out real estate agency work. The tribunal hears and determines disciplinary charges against licensees referred by a complaints assessment committee of the Real Estate Agents Authority. The tribunal can also hear and decide on an application for interim suspension, pending the hearing of a charge; deal with appeals against complaints committee decisions; and review decisions of the authority's registrar.

Jury service

Jury service is an extremely important part of New Zealand's justice system and of democracy. The contribution jurors make is very much needed, valued, and appreciated.

A jury is a group of 12 people who have been randomly chosen to sit in a court trial, hear the evidence, and reach a verdict. The jury's job is to decide which facts have been proven, apply the law to the facts with guidance on the law from the judge, and return a proper verdict.

A jury list for each court is created by random selection from electoral rolls in the court area. People's names are then selected at random from the jury list, and those people are summonsed. Members of Parliament, members of the Judiciary, those involved in certain justice-related occupations, and people who have been sentenced to certain prison terms are not eligible to serve on a jury.

Law Commission

Established by the Law Commission Act 1985, the Law Commission Te Aka Matua o te Ture is an independent, government-funded organisation that reviews areas of the law that need updating, reforming, or developing.

The commission helps ensure that laws provide effectively for the current and future needs of New Zealand's changing society. Its goal is to achieve law that is just, principled, and accessible, and that reflects the heritage and aspirations of the people of New Zealand.

Under the Act, up to six commissioners (one of them the president) can be appointed by the governor-general on the recommendation of the Minister Responsible for the Law Commission.

The commission is funded through the Vote Justice allocation, and employs legal and policy advisers, librarians, and support staff.

Legal Services Agency

The Legal Services Agency Pokapū Ratonga Ture is a Crown entity established by the Legal Services Act 2000. The agency replaced the Legal Services Board, and its task is to promote access to justice for those who have the greatest need and least capacity to pay for legal services. It does this by administering, funding, or sponsoring legal services that include:

- legal advice and representation through legal aid, duty solicitor, and Police detention legal assistance schemes
- community legal services, such as those community law centres provide
- information and educational resources that target those with unmet legal needs
- research into the unfulfilled legal needs of communities and how those needs might be met.

In December 2009, the Minister of Justice announced the agency's functions would be integrated into the Ministry of Justice. The change will be implemented in 2011.

Criminal legal aid This aid is available to anyone charged with a criminal offence. It is also available in some cases for people appearing before the New Zealand Parole Board. People don't need to be New Zealand citizens or permanent residents to apply for legal aid.

Duty solicitors The duty solicitor scheme ensures that lawyers are available 'on duty' at every district court in the country. Duty lawyers provide free legal help on the first day in court for anyone who has been charged with a criminal offence and doesn't have their own lawyer. The duty lawyer can explain the charge, and will advise on pleas, bail, and the sentencing options available to the court. They also help people to apply for legal aid.

Police detention legal assistance (PDLA) The PDLA scheme enables anyone who is arrested or held by the Police to obtain free confidential legal advice from a lawyer. Advice may be provided by telephone or in person. The scheme ensures that section 23 of the New Zealand Bill of Rights Act is given practical effect. The Act says that people detained for questioning "have the right to

Helping those who cannot afford a lawyer

The legal aid scheme in New Zealand grants legal aid to eligible people for representation in criminal and civil proceedings. Civil legal aid includes family, Waitangi Tribunal, and other civil proceedings that include refugee, Accident Compensation Corporation (ACC), and employment matters.

The Legal Services Agency grants legal aid to those who do not have the means to meet their legal costs. Applicants do not have to be New Zealand citizens or residents, and special rules apply for those under the age of 20. A lawyer or a community law centre worker may help people apply for legal aid.

The agency assesses eligibility for civil and family legal aid on the following grounds:

- whether proceedings are covered by section 7 of the Legal Services Act 2000
- the applicant's disposable income and assets
- the reasonableness of taking the case (for civil and family proceedings)
- the prospect of applicants succeeding in the proceedings they are taking or defending.

Eligibility for criminal legal aid is assessed by looking at:

- whether proceedings are covered by section 6 of the Legal Services Act
- whether or not applicants have sufficient financial resources to fund their own representation
- the gravity (potential penalties if found guilty) of the offence the applicant is charged with.

The legal aid system is based on three principles: access to justice, the concept that a person is innocent until proven guilty, and the right of everybody to be defended in court.

When criminal legal aid is granted, the agency appoints a legal aid lawyer from the list of approved lawyers. A person may choose their own lawyer, as long as the lawyer is listed as a criminal legal aid lawyer in the appropriate category, is able to appear at court when needed, is willing to take the case and, generally, is based in the location where the case will be heard.

A person may need to contribute to the cost of legal aid, based on a calculation that considers their income, assets, and expenditure. The Legal Services Agency may ask for this to be paid in a lump sum, in instalments, or when a house or other property is sold.

Decisions on legal aid may be referred back to the agency for reconsideration, or be reviewed by the independent Legal Aid Review Panel.

Source: Legal Services Agency

Public Defence Service

The Legal Services Agency employs salaried criminal lawyers to take on criminal legal aid cases in the Auckland, Manukau, and Waitakere courts through its Public Defence Service (PDS).

The PDS provides an independent, in-house legal service to deliver legal aid representation for defendants. It offers legal services alongside those provided by private practice lawyers.

The service began as a pilot scheme in May 2004, when, for the first time, a mixed public-private legal aid service was established in New Zealand. The pilot was initially evaluated by an independent team from the Victoria University of Wellington's Crime and Justice Research Centre, with a final evaluation by an independent consulting company. The PDS was made permanent in December 2008.

The PDS has a strong client focus and provides clients with full information on responsibilities and obligations. The PDS objectives are to:

- provide high-quality, consistent, independent, value-for-money services to people who are eligible for legal aid
- improve system flexibility, and provide opportunities to test different approaches to meeting cultural and other needs of clients
- provide opportunities to test innovative approaches to managing legal services, and to encourage the development of expertise
- improve the agency's understanding of issues facing private practice lawyers when providing legal services to the public, by collecting reference information.

Source: Legal Services Agency

consult and instruct a lawyer without delay and to be informed of that right". Young people can use the PDLA scheme – there is no minimum age.

Civil and family legal aid This aid is available for many types of private disputes and other non-criminal problems that will, or might, go to court. Civil legal aid applies to all family and civil matters encompassing the Waitangi Tribunal and other civil proceedings, including refugee, accident compensation, and employment matters.

Family legal aid is for family and domestic disputes dealt with by the Family Court. This includes matrimonial and relationship property problems, maintenance (financial support), problems to do with care of children, applying for a protection order or other order under the Domestic Violence Act 1995, care and protection orders for children and young people, adoption, paternity, and mental health compulsory treatment orders.

Grants and payments In the year ending 30 June 2008, 83,767 legal aid grants were made, and legal aid payments totalled \$114.8 million. Payments made can relate to grants approved in previous years. Of these payments, \$57.1 million was spent on criminal cases (private providers \$54.4 million, public defender service \$2.7 million), \$29.8 million on family law cases, \$12.1 million on Waitangi Tribunal matters, and \$6.6 million on civil actions. A further \$8.7 million was spent on the duty solicitor scheme, and \$0.5 million on the Police Detention Legal Assistance scheme. Legal aid repayments totalled \$7.1 million.

Legal aid is demand-driven. Once an entitlement to assistance is established, aid must be provided, and no direct control can be exercised over the number of applications submitted.

Community law centres These centres provide legal services to community members with unmet legal needs, particularly those who cannot afford to pay for legal services. The centres provide free legal advice and sometimes representation, law-related education, and legal information. They may work on law reform. Centres are mainly funded from a special fund administered by the New Zealand Law Society, which earns revenue from interest income from nominated lawyers' trust accounts, plus some government funding. In 2008 there were 27 community law centres.

Public Advisory Committee The Legal Services Agency's Public Advisory Committee represents many groups, including women, Māori, Pacific peoples, young people, older people, people with disabilities, consumers, community law centres, the legal profession, refugees, and migrants. The committee advises the agency on different matters, including feedback and concerns about legal aid schemes, and other services funded or delivered by the agency, unmet legal needs, community law centre funding, research, and law-related education.

Crown Law

The Crown Law Office Te Tari Ture o te Karauna is a government agency providing legal advice and representation services to the government, particularly in areas of criminal, public, and administrative law. Its two primary objectives are to ensure that:

- the operations and responsibilities of the Executive arm of government are conducted lawfully
- the government is not prevented, through legal process, from lawfully implementing its policies and discharging its governmental responsibilities.

The Solicitor-General of New Zealand is chief executive of Crown Law, and is the chief legal adviser to the government, subject to any views expressed by the attorney-general. In this capacity, the solicitor-general is the government's chief advocate in the courts. In addition, the solicitor-general is responsible for conducting the prosecution of indictable crime, and also has a number of specific statutory duties and functions.

Crown Law is organised into three practice groups, which bring together specialist teams that enable clients to address key issues about:

- constitutional advice and litigation, including Treaty of Waitangi matters and constitutional conventions
- the conduct of Crown prosecutions, including advice on international human rights obligations, the Bill of Rights, and criminal appeals
- public law arising from the exercise and control of governmental power and public sector governance.

Serious Fraud Office

The Serious Fraud Office Te Tari Hara Tāware (SFO) is a specialist department established by the Serious Fraud Office Act 1990, to facilitate the detection, investigation, and efficient prosecution of serious and/or complex fraud offending. Since being established the SFO has broadened its operations to pursue and prosecute people who commit serious financial crime. On a day-to-day basis the office has a dual focus as both an investigation and a prosecution agency.

At 30 June 2009, SFO had a staff of 33, consisting of forensic accountants, investigators, prosecutors, and executive and support staff. Multi-disciplinary teams work to investigate and prosecute cases.

To determine whether an offence involves serious or complex fraud, the Act allows the director to consider the suspected nature, consequences, and scale of the fraud; the legal, factual, and evidential complexity of the matter; and any relevant public-interest considerations. The director's decision to investigate or take proceedings is discretionary, and not subject to review.

Sixty cases were on hand at 1 July 2008 – at assessment, detection, investigation, or prosecution stage. During the year ending 30 June 2009, a further 56 new cases were assessed and one case was reinstated. This gave the SFO an overall caseload of 117 files.

During the year ending 30 June 2009, 11 investigations were completed and prosecuted; five were completed but not prosecuted; and 18 complaints were referred to other more appropriate agencies (12 to the Police, two to the Securities Commission, and one each to the Commerce Commission, Ministry of Education, Ministry of Agriculture and Forestry, and a local authority). Following consideration and assessment, 29 complaints did not justify further action.

At 30 June 2009, 69 cases were on hand – six complaints were at the assessment stage, seven cases at detection stage, 32 at full-investigation, and 24 cases at prosecution stage.

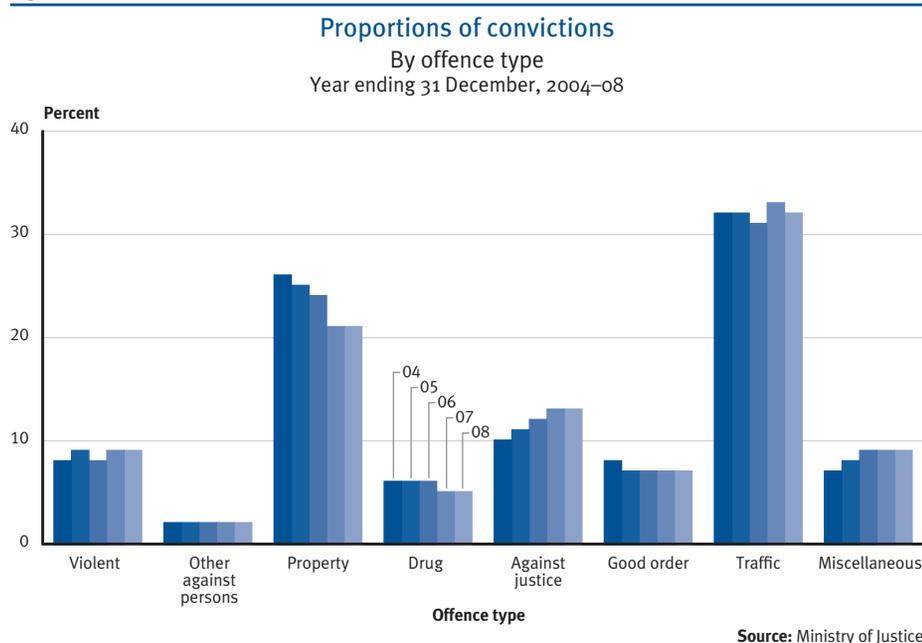
The SFO's statutory powers are the most extensive in the area of criminal investigation in New Zealand. They require anyone whose affairs are being investigated, or any other person the director has reason to believe may have relevant information or documents, to appear before the SFO to answer questions and to produce relevant documents for inspection.

Criminal justice

The most serious crimes in New Zealand are defined in the Crimes Act 1961, the International Crimes and International Criminal Court Act 2000, and the Misuse of Drugs Act 1975. Other acts, such as the Aviation Crimes Act 1972 and the Maritime Crimes Act 1999, also outline serious indictable offences.

The Summary Offences Act 1981 covers a wide variety of less serious (summary) offences, including offences against public order, such as disorderly behaviour and fighting in a public place, and offences against people or property, such as common assault and wilful damage.

Figure 10.01



Convictions

In 2008, 336,865 charges were prosecuted in New Zealand criminal courts, 5 percent more than the number in 2007. Approximately 68 percent of all charges prosecuted resulted in a conviction. The number of convictions in 2008 was 7 percent higher than in 2007.

The prosecution rate was higher than average in many rural North Island areas. In 2008, rates ranged from less than 170 per 10,000 residents in Kaikoura, Te Awamutu, Waipukurau, Feilding, and Gore to over 450 per 10,000 residents in Rotorua, Kaikohe, Gisborne, Whangarei, and Taupō.

The majority of charges resulting in a conviction in 2008 involved either traffic or property offences, which accounted for 32 percent and 21 percent of all convictions, respectively. Charges involving offences against the administration of justice were 13 percent of all convictions, while

Table 10.01

Offences ⁽¹⁾ 1878–2008			
Year	Recorded	Resolved	Percent resolved
1878	14,157	..	..
1880	17,837	16,723	93.8
1885	18,955	17,723	93.5
1890	13,115	12,177	92.8
1895	14,010	12,435	88.8
1900	18,358	17,131	93.3
1905	20,249	19,251	95.1
1910	25,106	23,949	95.4
1915	28,412	27,096	95.4
1920	26,106	24,718	94.7
1925	30,470	28,668	94.1
1930	37,214	33,690	90.5
1935	33,168	30,601	92.3
1940	45,009	41,619	92.5
1945	34,000	27,965	82.3
1950	35,383	..	..
1955	63,550	..	..
1960	102,792	66,857	65.0
1965	132,311	73,294	55.4
1970	165,859	94,785	57.1
1975	233,644	115,671	49.5
1980	349,193	166,535	47.7
1985	435,640	182,849	42.0
1990	488,886	201,942	41.3
1995	506,359	211,956	41.9
2000	427,230	177,034	41.4
2005	407,496	176,362	43.2
2006	424,134	185,224	43.6
2007	426,380	194,763	45.6
2008	431,381	201,417	46.6

(1) Figures after 1995 may not be comparable with earlier figures because they reflect different offence counting rules.
Symbol: .. figure not available

Source: New Zealand Police

Protection at home enhanced

The Domestic Violence (Enhancing Safety) Bill passed into legislation in October 2009, amending the Domestic Violence Act 1995, the Sentencing Act 2002, and the Bail Act 2000. The new law strengthens how criminal justice agencies respond to victims of domestic violence.

The following provisions are now in force:

- Police can arrest a person without a warrant if they have good cause to suspect the person has breached a protection order.
- Police can impose any conditions they believe are reasonably necessary to protect the victim of the offence, and anyone living with the victim, when a person charged with a domestic violence offence is bailed.
- The two-tiered penalty structure for breaching protection orders is removed, leaving only the maximum penalty of up to two years' imprisonment.
- A penalty of up to six months' imprisonment for failing to attend a court-ordered programme.
- Police can issue police safety orders, to ensure the immediate safety of victims by removing the alleged violent person from the home for up to five days.
- The criminal courts can issue a protection order on behalf of the victim in cases where an offender is sentenced for a domestic violence offence (unless the victim objects).

Source: Ministry of Justice

Table 10.02

Type of offence	Convictions							
	By type of offence							
	Year ending 31 December							
	2001	2002	2003	2004	2005	2006	2007	2008
Violent	14,692	14,427	15,224	15,036	16,484	16,934	18,475	21,377
Other against persons	3,702	3,771	4,164	4,111	4,428	4,613	5,117	5,645
Property	48,715	47,546	49,021	47,687	46,075	47,352	45,797	48,986
Drug	12,555	12,272	12,359	11,304	10,867	11,302	11,505	12,542
Against justice	15,017	14,972	16,034	18,404	21,210	23,666	26,793	30,671
Good order	12,389	12,839	13,987	13,666	13,314	14,961	15,882	16,919
Traffic	56,584	54,541	55,847	58,031	59,640	63,125	69,751	72,167
Miscellaneous	9,296	10,150	13,516	13,195	14,558	18,776	19,739	20,072
Total	172,950	170,518	180,152	181,434	186,576	200,729	213,059	228,379

Source: Ministry of Justice

charges for miscellaneous and violent offences were each 9 percent. Charges for offences against good order, for drug offences, and for other offences against the person were 7 percent, 5 percent, and 2 percent, respectively, of all convictions in 2008.

The total number of prosecutions processed by New Zealand courts rose 3 percent between 1999 and 2003. Between 2003 and 2008 the number of charges prosecuted grew 23 percent. Between 1999 and 2002, the number of charges resulting in a conviction fell 5 percent, while from 2002 to 2008, this number rose approximately 34 percent.

The number of charges resulting in convictions increased 34 percent between 2002 and 2008 following a downward trend between 1999 and 2002. While a conviction was the most common outcome of a prosecution during the decade to 2008, the proportion of all prosecutions resulting in a conviction fell from 67 percent in 1999 to 65 percent in 2004, before rising to 68 percent in 2008.

From 1999 to 2002, the number of convictions for violent offences fell 6 percent, while between 2002 and 2008 the number rose 48 percent. The number of convictions for other offences against the person grew approximately 53 percent between 1999 and 2008. The number of charges that resulted in a conviction for property offences fell 4 percent between 1999 and 2008.

The number of drug offences resulting in a conviction fell approximately 22 percent between 1999 and 2005. Between 2005 and 2008, the number rose 15 percent. A steady increase in the number of convictions for offences against justice was recorded from 2002 onwards. Convictions for offences against good order increased 53 percent between 1999 and 2008.

Table 10.03

Offence type	Convictions for violent offences							
	Year ending 31 December							
	2001	2002	2003	2004	2005	2006	2007	2008
Murder	19	31	24	25	21	27	33	31
Manslaughter ⁽¹⁾	31	30	35	55	22	24	26	19
Attempted murder	11	16	5	16	5	6	9	11
Kidnapping/abduction	114	117	176	112	111	167	110	143
Rape	169	168	213	172	199	204	148	174
Unlawful sexual connection	384	343	414	326	345	409	387	401
Attempted sexual violation	59	36	48	42	53	39	44	38
Indecent assault	818	957	935	755	876	859	772	806
Aggravated burglary ⁽²⁾	76	67	69	84	85	57	81	62
Aggravated robbery	366	349	398	376	474	422	391	487
Robbery ⁽³⁾	152	172	207	202	241	265	292	307
Grievous assault ⁽⁴⁾	1,303	1,296	1,372	1,403	1,591	1,582	1,913	2,233
Serious assault ⁽⁵⁾	3,364	3,341	3,458	3,669	4,062	4,318	4,798	5,714
Male assaults female ⁽⁶⁾	2,916	2,625	2,870	2,973	3,529	3,568	4,040	4,762
Assault on a child ⁽⁷⁾	294	291	253	305	288	263	387	421
Minor assault ⁽⁸⁾	3,848	3,763	3,800	3,676	3,753	3,819	4,082	4,675
Threaten to kill/do GBH ⁽⁹⁾	626	697	771	730	698	764	824	896
Cruelty to a child ⁽¹⁰⁾	23	19	27	23	22	16	24	35
Other violence	119	109	149	92	109	125	114	162
Total	14,692	14,427	15,224	15,036	16,484	16,934	18,475	21,377

(1) Includes convictions for manslaughter that involved using a motor vehicle. (2) Burglary and aggravated burglary definitions were amended in 2003; the new definitions came into force in October 2003. (3) Includes both robbery and assault with intent to rob. (4) Mostly assault with a weapon, wounding with intent, and injuring with intent, but also aggravated wounding or injury, disabling, committing a dangerous act with intent, acid throwing, and poisoning with intent to cause grievous bodily harm. These offences have maximum penalties of at least five years' imprisonment. (5) Mostly common assault under the Crimes Act 1961, but also assault with intent to injure, injuring by an unlawful act, and aggravated assault (including assault on a police officer or a person assisting the police under the Crimes Act). These offences have maximum penalties of at least five years' imprisonment. (6) Offences under section 194(b) of the Crimes Act – likely to be mostly domestic-related assaults. These offences could have been included in the 'serious assault' category, as they have a maximum penalty of two years' imprisonment, but are presented separately to show trends in domestic-related assaults. These offences are the best proxy for such offences, since data does not include information on victim-offender relationships. (7) Assault on a child under 14 years under section 194(a) of the Crimes Act. (8) Mostly common assault under the Summary Offences Act 1981, but also assault on a police or prison officer, or on a person assisting the police, under the same Act. These offences have a maximum penalty of six months' imprisonment. (9) Threaten to kill or do grievous bodily harm. (10) Offences under section 195 of the Crimes Act.

Source: Ministry of Justice

Table 10.04

Convictions for other offences against the person								
Year ending 31 December								
Offence type	2001	2002	2003	2004	2005	2006	2007	2008
Non-violent sexual ⁽¹⁾	415	447	468	436	560	600	631	679
Obstructing/resisting ⁽²⁾	2,289	2,377	2,556	2,488	2,546	2,702	2,977	2,978
Intimidation ⁽³⁾	618	653	772	893	1,095	1,091	1,294	1,644
Other against persons	380	294	368	294	227	220	215	344
Total	3,702	3,771	4,164	4,111	4,428	4,613	5,117	5,645

(1) Mainly unlawful sexual intercourse or committing an indecent act with or upon another person, committing an indecent act in a public place, or obscene exposure in a public place. Sex offences reported in the violent offences category are not included in this category. (2) Obstructing or resisting a police officer, traffic officer, or other official. (3) Mostly offences under section 21 of the Summary Offences Act 1981. Excludes threatening to kill or do grievous bodily harm, which is classified as a violent offence.

Source: Ministry of Justice

Table 10.05

Convictions for drug offences								
Year ending 31 December								
Offence type	2001	2002	2003	2004	2005	2006	2007	2008
Use cannabis	5,541	4,988	4,856	4,176	4,023	4,099	4,179	4,596
Deal in cannabis	3,589	3,305	3,125	2,597	2,177	2,190	2,253	2,684
Other cannabis ⁽¹⁾	2,183	2,072	2,240	2,023	1,930	1,940	2,125	2,224
Use other drug	544	668	733	819	800	1,023	973	853
Deal in other drug	403	772	631	564	613	654	616	740
Other drug ⁽¹⁾	295	467	774	1,125	1,324	1,396	1,359	1,445
Total	12,555	12,272	12,359	11,304	10,867	11,302	11,505	12,542

(1) Mostly offences relating to possession of pipes, needles, syringes, or other drug-related utensils. Category also includes offences where the offender permitted their premises/motor vehicle to be used for a drug offence, or where the offender made a false statement in relation to the Misuse of Drugs Act 1975.

Source: Ministry of Justice

Table 10.06

Convictions for property offences								
Year ending 31 December								
Offence type	2001	2002	2003	2004	2005	2006	2007	2008
Burglary ⁽¹⁾	5,502	5,711	5,424	6,086	6,451	6,087	5,955	6,480
Theft	14,145	13,921	14,269	13,658	14,012	14,723	14,341	15,537
Receiving stolen goods	2,827	2,437	2,611	2,574	2,524	2,675	2,891	3,086
Motor vehicle conversion	2,053	2,093	2,130	1,993	1,957	2,141	1,978	1,787
Fraud ⁽²⁾	14,220	12,765	13,629	12,978	10,969	10,774	9,328	10,678
Arson	198	213	212	207	242	208	218	297
Wilful damage ⁽³⁾	5,065	5,103	5,285	5,382	5,769	6,695	7,380	7,644
Other property ⁽⁴⁾	4,705	5,303	5,461	4,809	4,151	4,049	3,706	3,477
Total	48,715	47,546	49,021	47,687	46,075	47,352	45,797	48,986

(1) The burglary definition was amended in 2003, and the new definition came into force in October 2003. (2) Includes fraud, false pretences, forgery, and crimes involving deceit. The Crimes Amendment Act 2003 removed any references to 'fraud' from the Crimes Act 1961, and inserted sections referring to 'crimes involving deceit'. (3) Includes intentional damage under section 269 of the Crimes Act and wilful damage under section 11 of the Summary Offences Act 1981. (4) Mostly unlawfully interfering with, or getting into/onto, a motor vehicle/motorcycle, misleading a social welfare officer, providing misleading information to obtain a benefit/finance, possessing instruments for burglary or conversion, or unlawfully taking a bicycle.

Source: Ministry of Justice

The number of convictions for traffic offences decreased 5 percent in the five years from 1999 to 2003, followed by a 29 percent increase from 2003 to 2008. The number of convictions for miscellaneous offences rose steadily through the decade – from 9,437 in 1999 to 20,072 in 2008, a 113 percent increase.

Table 10.07

Convictions for traffic offences								
Year ending 31 December								
Offence type	2001	2002	2003	2004	2005	2006	2007	2008
Driving causing death or injury ⁽¹⁾	1,422	1,403	1,528	1,514	1,634	1,666	1,722	1,773
Driving with excess alcohol ⁽²⁾	22,363	20,811	21,078	21,974	23,043	24,174	27,767	31,223
Driving while disqualified	7,399	6,861	7,036	7,454	7,931	8,738	9,606	10,439
Reckless/dangerous driving	2,773	3,014	3,468	4,129	4,576	5,065	5,747	5,682
Careless driving	7,961	8,248	7,529	7,443	7,642	7,410	7,902	7,180
Other traffic	14,666	14,204	15,208	15,517	14,814	16,072	17,007	15,870
Total	56,584	54,541	55,847	58,031	59,640	63,125	69,751	72,167

(1) Charges involving driving with excess alcohol, reckless/dangerous driving, or careless driving where death or injury occurred. Data does not distinguish between charges resulting in injury and those resulting in death. A small number of people who kill a person while driving a motor vehicle will be charged with manslaughter, not driving causing death (see table 10.03). (2) Mostly charges where the person drove with excess alcohol, but also charges where offender refused to supply a blood specimen, or was convicted for driving under the influence of drink/drugs. Charges where a person was driving with excess alcohol and caused death/injury are in the first category in this table.

Source: Ministry of Justice

Organised crime targeted

In September 2007 the Government announced it was establishing an organised crime agency. Its task would be to increase government agency cooperation in targeting serious and organised crime within New Zealand and between New Zealand and other countries.

The Organised and Financial Crime Agency New Zealand (OFCANZ), which is hosted by New Zealand Police, began operating in early 2009.

OFCANZ's mission is to disrupt and combat organised crime at the national and international level. To do this, the agency:

- targets, investigates, and disrupts individuals and groups involved in organised crime
- leads, coordinates, and contributes to policy or legislative changes to make it harder for organised criminals to operate
- works with the private sector to reduce opportunities for organised crime
- raises public awareness of organised crime and the harm it causes.

To gather a complete picture of organised crime, information and resources are brought together from law enforcement organisations, border and regulatory agencies, financial authorities, and government departments. These include the Police, the Serious Fraud Office, Inland Revenue, the Ministry of Fisheries, and the New Zealand Customs Service.

Taskforces made up of personnel from these agencies work together in OFCANZ to investigate, prosecute, and dismantle organised crime groups, and remove assets from the criminals.

OFCANZ focuses on organised crime threats which represent the greatest risk to New Zealand, working with partner agencies to identify these risks. For 2010/11 two focus areas were identified:

- New Zealand adult gangs (which include outlaw motorcycle gangs and traditional patch-wearing gangs)
- Asian organised crime networks.

OFCANZ's work is guided by the Government's Organised Crime Strategy 2008–09. More information is on the agency's website (www.ofcanz.govt.nz).

Source: Organised and Financial Crime Agency New Zealand

Restorative justice services

Restorative justice is a process that focuses on the people affected by a crime. While the victim's needs are a primary concern, offender restoration is a priority. Offenders are made accountable at face-to-face meetings with the victim. Support people help the parties achieve reconciliation and reintegration.

The Ministry of Justice continues to support providing restorative justice services to a number of courts around New Zealand. The ministry contracts 26 providers to offer restorative justice to victims and adult offenders.

Restorative justice is successfully used in a wide range of cases, from serious and moderate levels of offending to low level offending and diversion cases.

If a victim has been personally affected by an offence, and the offender pleads guilty, a judge can refer the case to a restorative justice provider to see whether the process should take place. A meeting only goes ahead where the victim and the offender agree to meet, and after careful consideration of its appropriateness.

The restorative justice meeting is relatively informal, and involves the victim and the offender, their support people, and one or two facilitators. The meeting may include one or two community representatives, who can talk about the effect of the offending on the community. The victim and offender discuss what happened, describe the consequences of the offence, and consider steps that the offender can take to repair harm caused and to avoid re-offending.

Where the restorative justice process takes place before sentencing, a report on the meeting, including any agreements reached, is given to those involved in the case and the sentencing judge. The Sentencing Act 2002 requires judges to take restorative justice processes into account during sentencing.

A judge can adjourn sentencing to enable the offender to complete agreements made in the restorative justice meeting. These frequently include reparative measures, such as voluntary payments to the victim, and rehabilitative measures, such as attending therapeutic programmes.

In cases that are accepted for the Police Adult Diversion Scheme, successfully completing the agreements results in the charge being withdrawn. In other cases, the court receives a report about the completion (or non-completion) of the agreements, which is taken into account during sentencing.

An evaluation of restorative justice in New Zealand shows that:

- victims and offenders feel positive about the process
- victims and offenders are more involved in dealing with the offending
- victims have a better understanding of why the offence occurred and the likelihood of recurrence
- victims feel more positively about the criminal justice system
- restorative justice can help to reduce re-offending.

Source: Ministry of Justice

Throughout the decade to 2008, traffic offences made up the greatest proportion of all convictions, at 31 percent to 33 percent each year.

Property offences and drug offences were a decreasing proportion of all convictions during the period – property offences dropped from 29 percent of all convictions in 1999 to 21 percent in 2008, while drug offences dropped from 8 percent in 1999 to 5 percent in 2008.

Offences against justice, and miscellaneous offences, accounted for a growing proportion of all convictions over the decade. Offences against justice increased from 9 percent of convictions in 1999 to 13 percent in 2008. The proportion of convictions involving miscellaneous offences rose from 5 percent in 1999 to 9 percent in 2008.

Violent offences consistently accounted for around 9 percent of convictions each year during the decade, while offences against good order were between 6 percent and 8 percent. Other offences against the person made up approximately 2 percent of convictions each year between 1999 and 2008.

Table 10.08

Convictions for offences against the administration of justice								
Year ending 31 December								
Offence type	2001	2002	2003	2004	2005	2006	2007	2008
Breach of 2007 sentences ⁽¹⁾	37	1,489
Breach of community work ⁽²⁾	...	522	5,251	7,646	8,942	10,447	10,720	12,097
Breach of periodic detention ⁽³⁾	6,257	5,551	1,090	316	144	62	36	11
Breach of community service ⁽⁴⁾	219	277	144	27	16	10	4	1
Breach of supervision	577	500	566	721	1,052	1,165	1,731	2,719
Breach of release conditions ⁽⁵⁾	267	309	567	905	1,235	1,429	2,108	2,229
Failure to answer bail ⁽⁶⁾	4,307	4,393	5,104	5,563	6,181	7,226	8,156	8,174
Breach of protection/non-molestation order	2,360	2,027	2,254	2,167	2,379	2,232	2,532	2,815
Escape custody ⁽⁷⁾	292	285	332	308	368	341	347	344
Obstructing/perverting the course of justice	115	128	149	164	204	168	203	191
Other against justice	623	980	577	587	689	586	919	601
Total	15,017	14,972	16,034	18,404	21,210	23,666	26,793	30,671

(1) Home detention, community detention, and intensive supervision sentences were introduced in October 2007. (2) Community work was introduced in June 2002 by the Sentencing Act 2002. (3) Periodic detention was abolished by the Sentencing Act. (4) Community service was abolished by the Sentencing Act. (5) Failure, without reasonable excuse, to comply with any condition of release from prison. (6) Failure by a person on bail to appear in court at a specified time and place. (7) Mainly escapes from custody in a penal institution, or from police custody. Also a small number of charges for escaping custody from another type of institution, such as a psychiatric hospital.

Symbol: ... not applicable

Source: Ministry of Justice

Table 10.09

Convictions for offences against good order								
Year ending 31 December								
Offence type	2001	2002	2003	2004	2005	2006	2007	2008
Riot	15	6	4	12	6	0	3	11
Unlawful assembly	17	30	53	64	55	37	69	88
Possessing an offensive weapon	1,444	1,537	1,650	1,699	1,930	2,286	2,198	2,226
Drunkenness	0	0	0	0	0	0	1	0
Offensive language	645	581	551	485	388	418	417	440
Disorderly behaviour ⁽¹⁾	6,933	7,151	8,114	7,893	7,455	8,551	9,386	10,166
Trespassing	3,092	3,288	3,393	3,308	3,287	3,455	3,560	3,736
Other against good order	243	246	222	205	193	214	248	252
Total	12,389	12,839	13,987	13,666	13,314	14,961	15,882	16,919

(1) Mostly refers to behaving in a disorderly/offensive manner (section 4 Summary Offences Act 1981), disorderly/threatening behaviour (section 3 Summary Offences Act 1981), or fighting in a public place (section 7 Summary Offences Act).

Source: Ministry of Justice

Table 10.10

Convictions for miscellaneous offences

Year ending 31 December

Offence type/ Act breached	2001	2002	2003	2004	2005	2006	2007	2008
Arms Act ⁽¹⁾	705	737	808	840	841	1,023	1,097	1,097
Dog Control Act	491	346	551	278	350	305	290	199
Tax acts ⁽²⁾	3,773	4,161	5,313	5,125	6,014	7,475	8,473	8,340
Liquor-related ⁽³⁾	190	251	1,242	3,205	2,935	4,814	5,410	6,389
Fisheries Act ⁽⁴⁾	762	719	792	785	671	498	461	499
Other miscellaneous ⁽⁵⁾	3,375	3,936	4,810	2,962	3,747	4,661	4,008	3,548
Total	9,296	10,150	13,516	13,195	14,558	18,776	19,739	20,072

(1) Excludes a small number of offences prosecuted under this Act that were categorised as violent offences/other offences against the person. (2) Offences under the Income Tax Act 1976, the Income Tax Act 1994, the Goods and Services Tax Act 1985, or the Tax Administration Act 1994. (3) Includes convictions under the Sale of Liquor Act 1962 and the Sale of Liquor Act 1989, and convictions under section 38(3) of the Summary Offences Act 1981 (minors drinking in a public place) and, from April 2003, convictions for breaches of local liquor bans under section 709A(8) of the Local Government Act 1974. (4) This category comprises convictions under the Fisheries Act 1983 and related regulations, eg commercial fishing regulations and freshwater fisheries regulations. (5) Includes offences such as breaches under: the Health and Safety in Employment Act 1992, the Insolvency Act 1967, the Resource Management Act 1991, the Films, Videos, and Publications Classification Act 1993, the Building Act 1991, the Telecommunications Act 1987, the Medicines Act 1981, and the Conservation Act 1987.

Source: Ministry of Justice

Sentences

Of people sentenced in 2008, 46 percent received monetary penalties (fines or reparation), 25 percent were sentenced to community work sentences, 6 percent were convicted and discharged, 8 percent were imprisoned, 4 percent received a deferment, 3 percent were sentenced to supervision, and 1 percent had other sanctions imposed. The community-based sentences of home detention, community detention, and intensive supervision were introduced in October 2007. These sentences accounted for approximately 7 percent of all sentences imposed in 2008.

The 2008 sentencing pattern was similar to that in 2007, although the proportions of people receiving imprisonment and monetary sentences fell 2 percent and 3 percent, respectively. In courts serving more than 50,000 residents, the proportion of convicted offenders sentenced to prison ranged from 2.7 percent in Upper Hutt to 14.0 percent in Palmerston North.

Legislation passed during the decade to 2008 has affected sentencing data. The Sentencing Act 2002 altered the sentences available to courts, especially in relation to community-based sentences. In particular, the sentences of periodic detention, community service, and community programme were abolished, and the sentence of community work introduced. Periodic detention and community service sentences are incorporated within community work, while community programme sentences are included in supervision.

The Sentencing Amendment Act 2007 created the new sentences of home detention, community detention, and intensive supervision.

Dealing with young offenders

Section 21 of the Crimes Act 1961 states that “no person shall be convicted of an offence by reason of any act done or omitted when under the age of 10”.

Similarly, section 22 of the Crimes Act states that “no person shall be convicted of an offence by reason of any act done or omitted when of the age of 10 but under the age of 14, unless he knew either that the act or omission was wrong, or that it was contrary to the law”.

Consequently, Police often take action other than apprehension when dealing with young offenders.

Police data on children apprehended should not be used to make quantitative inferences about levels or trends in offending by children.

Apprehension of children⁽¹⁾ and young persons⁽²⁾

Year ending 30 June

	2007	2008	2009
Finalised by warning or caution	11,288	11,047	10,918
Youth Aid alternative action	15,329	16,028	15,064
Referred for family group conference or Youth Court	11,166	11,420	10,381
Resolved by other means	1,149	1,618	1,236
Total cleared	38,932	40,113	37,599
Offences dealt with per Youth Aid officer	223	230	167
Offences referred to family group conference per officer	64	65	46
	Percent		
Offences dealt with by Police only	71.3	71.5	72.4
Offences dealt with by family group conference	28.7	28.5	27.6

(1) Aged 10 to 13 years on the day of the alleged offence.
(2) Aged 14 to 16 years on the day of the alleged offence.

Source: New Zealand Police

Image removed due to copyright issues

The Dominion Post

Judith Collins, Minister of Corrections, examines one of the new double-bunk cells at Rimutaka Prison. The cells are built from 12.2-metre-long shipping containers, each converted to three insulated cells with steel fittings. The first prison wing made from containers holds 60 prisoners, whose windows look out onto an enclosed grass area. With an expanding prison population, the minister says the pilot scheme could be expanded.

Making sure fines are paid

Collections is part of the Ministry of Justice. Collections field staff have the same powers, functions, and responsibilities as deputy registrars or bailiffs of district courts to carry out three distinct tasks:

- collecting and enforcing fines – including court-imposed fines, infringements that prosecuting authorities have been unable to collect, reparation, court costs, and fees
- enforcing civil judgments or orders on behalf of judgment creditors
- serving court documents.

Being able to collect fines and civil debt ensures that fines remain a credible sanction, and also fosters respect for, and compliance with, the law.

If a fine or reparation order has not been paid, collections staff take action to obtain payment. Enforcement action can include clamping vehicles, seizing and selling assets, compulsory deductions from a person's income or bank accounts, issuing warrants to arrest, and preventing overseas travel.

From 1 July 2008 to 30 June 2009 collections staff:

- resolved \$335 million in fines and reparation
- collected 80 percent of fines and reparation (either in full or by making payment arrangements) within 12 months of the fine being imposed
- seized 2,800 vehicles and 700 other items of property
- actioned 87.8 percent of civil enforcement applications within 28 days.

Source: Ministry of Justice

Sentences by type The number of people sentenced to imprisonment rose 32 percent between 1999 and 2006. However, from 2006 to 2008 this number fell 17 percent. Between 2000 and 2005, the number of people receiving community work as the most serious sentence was relatively stable; between 2005 and 2008 the number increased 17 percent.

The number who received a sentence of supervision as the most serious penalty declined 64 percent between 1999 and 2004, then more than doubled between 2004 and 2008. The number of people receiving a monetary penalty rose steadily from 1999 to 2008, with a 17 percent increase for the decade. The number of offenders receiving deferment rose 74 percent from 1999 to 2008.

There was a steady increase in the number of people receiving other types of sentences, with a doubling of the number of people being convicted and discharged between 1999 and 2008.

Proportions by sentence type Monetary sentences accounted for the largest proportion of sentences imposed each year. Throughout the decade to 2008, on average, approximately 50 percent of offenders received monetary penalties. Community work was the next most common type of sentence imposed – approximately 26 percent of all offenders sentenced received this type of sanction.

The proportion of all offenders sentenced to imprisonment rose from 9 percent in 1999 to 11 percent in 2005. In 2008 the proportion fell to 8 percent.

Table 10.11

Sentencing for all offenders ⁽¹⁾⁽²⁾								
Year ending 31 December								
Sentence type	2001	2002	2003	2004	2005	2006	2007	2008
Custodial including home detention	6,838	6,967	7,462	8,537	9,119	9,209	9,244	10,143
Community ⁽³⁾	22,924	21,686	22,006	20,956	21,965	23,148	26,102	30,206
Monetary ⁽⁴⁾	38,324	38,944	40,529	41,384	40,147	41,349	43,901	44,015
Other ⁽⁵⁾	3,087	3,194	3,519	3,929	4,176	4,471	4,868	5,017
Conviction & discharge ⁽⁶⁾	3,939	3,869	4,252	4,958	5,015	5,118	5,289	6,059
Total	75,112	74,660	77,768	79,764	80,422	83,295	89,404	95,440

(1) People are counted and identified by an identifier, issued by Police/the court. A person may be sentenced several times in a year – that person is counted once. Counts are only for people sentenced in that year. A person may have many identities/aliases, and could be counted more than once in a year. (2) Within a year, the most serious sentence is used to denote the person. (3) The Sentencing Act 2002 introduced four community-based sentences – community detention, community work, intensive supervision, and supervision. Previously there were periodic detention, community service, community programme, and supervision. Community work replaced both periodic detention and community service, while supervision was modified to include the care aspect of the community programme sentence. (4) Monetary penalties include fines and reparation. (5) To come up for sentence if called on/a suspended prison sentence. Suspended prison sentences were abolished in June 2002 by the Sentencing Act. (6) Conviction and discharge under section 20 of the Criminal Justice Act 1985, or section 108 of the Sentencing Act.

Source: Ministry of Justice

Proceeds of crime

Apart from their role in company liquidations and bankruptcies, the official assignee has certain statutory responsibilities under the Criminal Proceeds (Recovery) Act 2009. This Act, which came into effect in December 2009, repealed and replaced the Proceeds of Crime Act 1991. It expanded the 1991 Act considerably, chiefly by introducing a civil forfeiture regime that is enforced by the Police and by making criminal forfeiture part of the sentencing process.

The court may order that assets be restrained (placed in the custody and control of the official assignee). This is to ensure that assets are not depleted or destroyed while a criminal trial is pending or while civil or criminal forfeiture proceedings are in place.

If the court orders the forfeiture of property obtained from crime, or used to commit crime, the official assignee takes the necessary steps to realise those assets, and to transfer proceeds to the Crown.

In the year ending 30 June 2009, the official assignee, in relation to proceeds of crime matters, returned \$3,365,031 to the Crown, compared with \$2,283,020 in 2008, and \$1,445,766 in 2007.

Victim Support

Victim Support is New Zealand's leading agency helping victims of crime and trauma.

The organisation has two main aims – to provide information, support, and assistance to victims, witnesses, their families, and friends; and to promote victims' rights through raising public awareness and recognition of the effects of crime.

Victim Support is an independent organisation that works with the New Zealand Police and operates out of most police stations in the country. With a staff of 100 and 1,000 volunteer support workers, it is the only agency that provides a support service nationwide 24 hours a day, seven days a week.

Services include emotional support, personal advocacy, and information to victims of crime and trauma, as well as support through the judicial process, and managing victim assistance funding schemes.

Victim Support promotes a system of parallel justice. This provides the victim with a separate path to justice alongside the criminal justice system, by distinguishing the victim's needs from society's treatment of the offender. The desire to rehabilitate offenders and address their needs should always be balanced by considering the harm caused to the victim and their family/whānau. The key elements of parallel justice are the emphasis on the victim's safety at all stages, and ensuring victims have access to immediate support, compensation for loss, and practical assistance. Parallel justice means victims have the opportunity to explain the incident, the effect it had on them, and the resources they need to restore their lives. The system also recognises that a crime has occurred, regardless of whether the offender is apprehended, which validates the experience for the victim.

Victim Support is guided by principles outlined in the Victims' Rights Act 2002.

Table 10.12

Victim Support operation and funding						
Year ending 30 June						
	2004	2005	2006	2007	2008	2009
Victim Support groups	67	63	70	46	46	44
Staff employed (full-time equivalent)	62	78	93	94	100	113
Contacts made with victims	163,026	127,692	135,427	131,458	134,566	148,246
Volunteer workers	1,352	1,428	1,670	1,746	1,674	1,177
Ministry of Justice funding (\$million)	2.5	3.4	3.4	4.5	4.8	5.5
Victim assistance scheme funding (\$)	653,000	653,000	653,000	580,000	580,000	580,000

Source: New Zealand Council of Victim Support Groups

Corrections system

The Department of Corrections Ara Poutama Aotearoa administers the New Zealand corrections system to improve public safety and contribute to maintaining a fair and just society. Maintaining public safety is the most important consideration in making decisions about managing offenders who are under the department's control or supervision. The purpose and principles that guide the department's operation are set out below.

The department manages sentences and orders served in the community, offenders on remand, and offenders serving custodial sentences that are imposed by the judiciary and the New Zealand Parole Board.

Corrections ensures that the sentences and orders imposed are administered in a safe, secure, humane, and cost-effective manner. Its facilities operate with rules set out in the Corrections Act 2004, under sections 70–82, and regulations made under that Act that are based, among other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners.

To reduce rates of reoffending, specific characteristics of offenders, including cultural background, ethnic identity, and language, are taken into account when developing and providing rehabilitative programmes. These factors are also considered for other interventions intended to effectively rehabilitate and reintegrate offenders into the community, and also in sentence planning and managing offenders.

The department helps to rehabilitate offenders and reintegrate them into the community, where appropriate, as is practical, and within the resources available. It provides programmes to help offenders address and resolve the causes of their offending, programmes and services to help offenders reintegrate back into society, and internal services, employment, and training activities.

The department provides reports and information on offenders to help judges make sentencing decisions. It also provides administrative services and information to the parole board, to help with decisions on whether offenders should be released, and if so, when and under what conditions. Any decision the board makes about the release of a prisoner has public safety as its primary consideration.

Victims' interests are considered in making decisions related to managing offenders who are under the department's control or supervision. Offenders can access processes designed to promote restorative justice between offenders and victims.

Victims of crime who are referred to the department by the Police are notified of specific events listed in the Victims' Rights Act 2002, such as the escape, actual release date, or death of an offender. Registered victims are also referred to specialist support organisations for help.

The purpose of the corrections system and the principles under which the Department of Corrections must operate are detailed in the Corrections Act 2004.

Rehabilitation in prison

The Department of Corrections provides rehabilitation programmes designed to address the offence-related issues of people it manages. Programmes are available to offenders in prisons and to those on community-based sentences.

Programmes help offenders to address factors that contribute to their offending, by targeting attitudes and behaviours that have encouraged offending. They teach skills that replace dysfunctional ways of behaving, such as substance abuse or beliefs about using violence. Offenders who complete the programmes learn to identify, analyse, and solve problems in more socially acceptable ways.

Facilitators and psychologists work with groups to deliver intensive, culturally appropriate programmes that encourage offenders to take responsibility for their offending and make positive steps towards a crime-free future for themselves. Offenders learn to consider the consequences of their actions, and to gain control over their behaviour.

The department offers six types of programmes.

Motivation – to increase the offender's motivation to address their offending. The programmes help offenders to increase problem awareness and recognition, reduce ambivalence, address thinking distortion, consider options, and formulate goals. (In 2009, 282 prisoners started a short motivational programme.)

Offence-based rehabilitation – focused and intensive programmes for special offenders, including sexual and violent offenders. These include short-term and medium-intensity rehabilitation programmes; violence prevention; and intensive rehabilitation programmes for high-risk prisoners. (In 2009, 2,404 prisoners took part in domestic violence treatment, 90 prisoners in child sex offender treatment, 540 prisoners and 639 community-based offenders in medium-intensity rehabilitation, 69 prisoners in intensive rehabilitation, and 30 prisoners took part in a violence prevention programme.)

Tikanga Māori – a group-based programme, delivered by a Māori service provider, using Māori philosophy, values, knowledge, and practices to emphasise the offender's relationship with their social and cultural environment. Fosters the regeneration of a Māori person's identity, self-esteem, and values so they become motivated to address their offending. (In 2009, 1,026 prisoners and 941 community-based offenders took part in tikanga Māori programmes, and 132 prisoners in Māori therapeutic programmes.)

Drug treatment – 24-week programmes that include behavioural therapy, education on addiction and change, building new skills, and group and one-to-one therapy. (In 2009, 499 prisoners were in drug treatment units.)

Education and employment – to improve prisoners' education and increase employment skills.

Reintegration – to help offenders move from prison to the community. Programmes cover accommodation, employment, financial management, relationship management, community support, victim-related issues, and health care. (In 2009, 1,103 prisoners took part in reintegrative programmes.)

As well, 568 prisoners took part in relapse prevention programmes, and 57 in faith-based programmes in 2009.

Source: Department of Corrections

Table 10.13

Corrections facilities	
At 30 June 2009	
Prison/corrections facility	Capacity
Male prisons	
Waikeria	1,031
Rimutaka	942
Christchurch	926
Auckland	681
Hawke's Bay	666
Spring Hill	650
Tongariro/Rangipo	600
Wanganui	529
Mt Eden	417
Auckland Central Remand	412
Northland	350
Otago	335
Rolleston	320
Manawatu	290
Invercargill	172
Wellington	120
New Plymouth	112
Female prisons	
Arohata	154
Auckland Women's	286
Christchurch Women's	138
Total	9,131

Source: Department of Corrections

Image removed due to copyright issues

Otago Daily Times

Two prisoners at the Otago Corrections Facility weld steel bunks. When the Government introduced double-bunking into New Zealand prisons in 2009, prisoners won a tender to build 122 steel bunks – for themselves. The prison's commercial engineering workshop offers employment programmes for prisoners to gain qualifications they can use when released. Management estimates that 85 percent of eligible prisoners are involved in employment or training at the prison.

Prisoners

The number of prisoners in New Zealand prisons has been rising steadily. At 30 June 2009, there were 8,326 prisoners (7,839 males and 487 females), with 6,516 sentenced prisoners and 1,810 prisoners remanded in custody.

By comparison, at 30 June 2008, there were 7,887 prisoners (7,453 males and 434 females), of whom 6,116 were sentenced prisoners, and 1,771 were remanded in custody.

In 2009, the Department of Corrections managed and operated 20 prisons within three regions, and was supported by a head office in Wellington. The prisons and their capacities are listed in table 10.13.

Figure 10.02

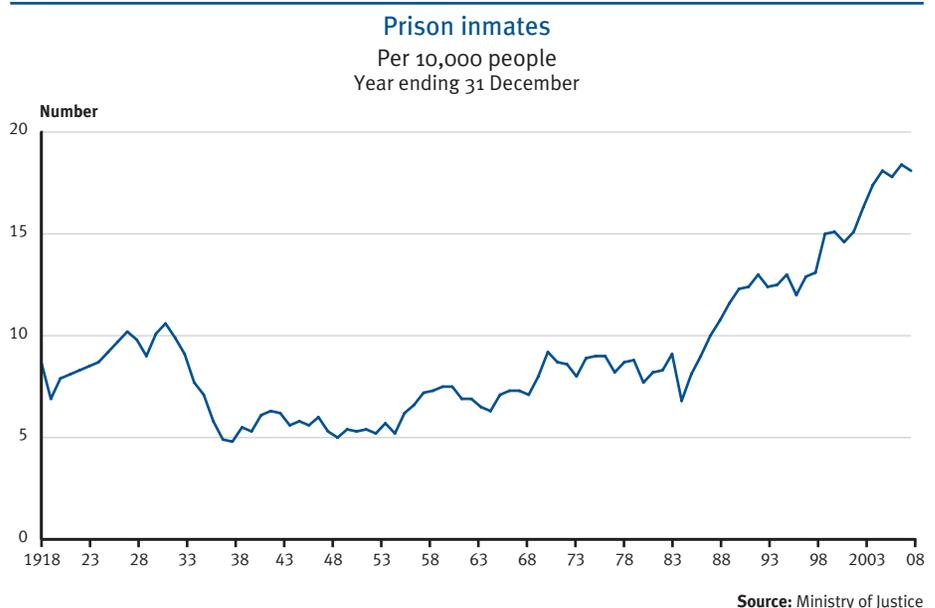


Figure 10.02 shows an increasing imprisonment rate over time. In 2008 there were 18.4 imprisoned people per 10,000 population.

Ethnicity Table 10.14 shows that at 30 June 2009, Māori made up 50 percent (4,176) of the total prison population and Pacific peoples accounted for 12 percent (963) of the total.

Table 10.14

Prisoners by sex and ethnicity						
At 30 June 2009						
Ethnicity	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
Māori	274	56	3,902	50	4,176	50
European	162	33	2,723	35	2,885	35
Pacific peoples	32	7	931	12	963	12
Asian	14	3	180	2	194	2
Other	3	1	73	1	76	1
Unknown	2	0	30	0	32	0
Total	487	100	7,839	100	8,326	100

Note: Individual figures may not add up to stated totals due to rounding.

Source: Department of Corrections

Age Table 10.15 shows that 42 percent of prisoners were aged under 30 years. The highest proportion of prisoners was in the combined 20–24 and 40–49-years age group (19 percent). Those aged 50 years and over accounted for 10 percent of prisoners.

Table 10.15

Prisoners by sex and age group						
At 30 June 2009						
Age group (years)	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
14–16	1	0	12	0	13	0
17–19	32	7	552	7	584	7
20–24	95	20	1,507	19	1,602	19
25–29	79	16	1,243	16	1,322	16
30–34	53	11	1,134	14	1,187	14
35–39	81	17	1,108	14	1,189	14
40–49	110	23	1,482	19	1,592	19
50–59	29	6	560	7	589	7
60+	6	1	241	3	247	3
Age unknown	1	0	0	0	1	0
Total	487	100	7,839	100	8,326	100

Note: Individual figures may not add up to stated totals due to rounding.

Source: Department of Corrections

Most serious offence Table 10.16 shows that 39 percent of sentenced prisoners were imprisoned for violence offences. The next largest groups were those in prison for sexual offences (21 percent) and dishonesty offences (19 percent). Both female and male prisoners were most commonly imprisoned for violence offences (34 percent and 39 percent, respectively).

Table 10.16

Sentenced prisoners by sex and most serious offence						
At 30 June 2009						
Most serious offence	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
Administrative	13	3	52	1	65	0
Alcohol related	24	6	194	3	218	3
Dishonesty	117	31	1,103	18	1,220	19
Driver and obligations	0	0	2	0	2	0
Driver licence	14	4	226	4	240	4
Drugs and anti-social offences	64	17	552	9	616	9
Justice (miscellaneous)	3	1	72	1	75	1
Manner of driving	0	0	19	0	19	0
Property abuses	2	1	36	1	38	1
Property damage	12	3	107	2	119	2
Sexual offences	2	1	1,370	22	1,372	21
Violence	130	34	2,397	39	2,527	39
Unknown	0	0	5	0	5	0
Total	381	100	6,135	100	6,516	100

Note: Individual figures may not add up to stated totals due to rounding.

Source: Department of Corrections

Sentence length Table 10.17 (overleaf) shows the most common sentence length for females was 1 to 3 years, while for males it was 2 to 3 years.

A total of 673 (or 10 percent) sentenced prisoners were serving indeterminate sentences (life or preventive detention) – 27 females and 646 males.

Blood spatter caught by the camera

Scientists at the Institute of Environmental Science and Research (ESR) are using an incredibly high-speed digital camera to capture the actual formation of bloodstain patterns. The camera can operate at 800 times faster than a home handi-cam. To capture a single frame the camera shutter may only be open for one-millionth of a second.

The images show how blood moves – for example when a drop falls, or a pool of blood is hit by a hammer or has a finger wiped through it. High-speed imaging can also capture blood droplets that are breathed out by someone with blood in their mouth.

Dr Michael Taylor explains that the science that underlies the evidence presented in court needs strengthening. “Understanding the dynamics is critical to the sound interpretation of bloodstain patterns,” Dr Taylor says.

One type of bloodstain pattern Dr Taylor has been studying arises from ‘backspatter’ from a firearm injury. Backspatter is the term applied to blood that is projected back towards the person holding the gun when someone is shot.

But gases from the gun barrel may also influence how the blood is distributed. ‘Shadowgraphy’, which is like making a shadow on the wall through bright light, is a technique that allows scientists to visualise shock waves and tiny particles in the air and assess the effect these have on the spattering of blood. ESR’s research has shown for the first time that gases travelling just behind the bullet sweep the airborne blood forwards, not backwards.

Catching this on camera provides evidence that the significance of the absence of blood spatter on a firearm or an accused person needs to be carefully considered in court. Air currents may have carried the blood forwards, keeping the person and the gun clean.

Source: Environmental Science and Research

Table 10.17

Sentence	Custodial sentence length imposed by sex					
	At 30 June 2009					
	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
Up to 3 months	7	2	92	1	99	2
3–6 months	26	7	188	3	214	3
6–12 months	58	15	539	9	597	9
1–2 years	83	22	909	15	992	15
2–3 years	84	22	1,093	18	1,177	18
3–5 years	48	13	1,090	18	1,138	17
5–7 years	29	8	597	10	626	10
7–10 years	17	4	617	10	634	10
10 years and over	2	1	364	6	366	6
Indeterminate ⁽¹⁾	27	7	646	11	673	10
Total	381	100	6,135	100	6,516	100

(1) Indeterminate length means either life or preventive detention.

Note: Individual figures may not add up to stated totals due to rounding.

Source: Department of Corrections

Offenders

The number of offenders being managed by Probation Services in New Zealand has been increasing steadily. At 30 June 2009, there were 37,078 unique offenders serving 66,638 sentences and orders. (‘Unique’ describes the number of individual offenders – offenders can be serving many sentences and orders at the one time. Data is based on the unique offender population.)

By comparison, at 30 June 2008, there were 33,155 unique offenders serving 55,666 sentences and orders. Sentences and orders being served in the community at 30 June 2005 to 2009 are listed in table 10.18.

Table 10.18

Sentence	Community-based sentences and orders				
	Year ending 30 June				
	2005	2006	2007	2008	2009
Community work	27,928	28,400	31,387	35,650	40,334
Community detention	...	...	...	1,371	3,186
Supervision	5,301	5,565	6,359	8,302	9,657
Intensive supervision	...	...	...	1,199	2,471
Home detention	...	...	...	1,876	3,166
Total sentences	33,229	33,965	37,746	48,398	58,814
Order					
Parole	1,132	1,244	1,451	1,602	1,827
Home detention	1,515	1,293	1,517	860	9
Post-release conditions	4,652	4,819	4,867	4,559	4,138
Post-detention conditions	...	...	...	204	1,823
Extended supervision orders ⁽¹⁾	21	48	38	43	27
Total orders	7,320	7,404	7,873	7,268	7,824
Total	40,549	41,369	45,619	55,666	66,638

(1) Introduced by the Parole (Extended Supervision) Amendment Act 2004.

Note: Individual figures may not add up to stated totals due to rounding.

Symbol: ... not applicable

Source: Department of Corrections

Ethnicity Table 10.19 shows that at 30 June 2009, Māori made up 45 percent (16,654) of the offender population and Pacific peoples accounted for 10 percent (3,646).

Table 10.19

Ethnicity	Community-based offenders ⁽¹⁾ by sex and ethnicity							
	At 30 June 2009							
	Female		Male		Unknown		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Māori	3,711	52	12,920	43	23	38	16,654	45
European	2,349	33	11,559	39	18	30	13,926	38
Pacific peoples	449	6	3,191	11	6	10	3,646	10
Asian	45	1	449	2	0	0	494	1
Other	82	1	377	1	1	2	460	1
Unknown	510	7	1,375	5	13	21	1,898	5
Total	7,146	100	29,871	100	61	100	37,078	100

(1) Based on unique offenders.

Note: Individual figures may not add up to stated totals due to rounding.

Source: Department of Corrections

Age Table 10.20 shows that 55 percent of all unique offenders were aged under 30 years. The highest proportion of offenders was in the 20–24-year age group. Those aged 50 years and over accounted for 5 percent of all offenders.

Table 10.20

Community-based offenders ⁽ⁱ⁾ by sex and age group								
At 30 June 2009								
Age group (years)	Female		Male		Unknown		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
10–14	0	0	1	0	0	0	1	0
15–19	623	9	3,126	10	12	20	3,761	10
20–24	1,813	25	8,101	27	17	28	9,931	27
25–29	1,282	18	5,307	18	10	16	6,599	18
30–34	961	13	3,623	12	8	13	4,592	12
35–39	886	12	3,227	11	3	5	4,116	11
40–44	679	10	2,549	9	4	7	3,232	9
45–49	469	7	1,849	6	3	5	2,321	6
50–54	243	3	1,039	3	1	2	1,283	3
55–59	108	2	491	2	1	2	600	2
60–64	33	0	266	1	0	0	299	1
65–69	17	0	121	0	0	0	138	0
70–74	3	0	52	0	0	0	55	0
75–79	3	0	20	0	0	0	23	0
80–84	0	0	9	0	0	0	9	0
85–89	0	0	1	0	0	0	1	0
Age unknown	26	0	89	0	2	3	117	0
Total	7,146	100	29,871	100	61	100	37,078	100

(i) Based on unique offenders.

Note: Individual figures may not add up to stated totals due to rounding.

Source: Department of Corrections

Most serious offence Table 10.21 shows that 22 percent of all offenders were convicted of violence offences. The next largest category was dishonesty offences (20 percent).

Table 10.21

Community-based offenders ⁽ⁱ⁾ by sex and most serious offence								
At 30 June 2009								
Most serious offence	Female		Male		Unknown		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Administrative	283	4	679	2	1	2	963	3
Alcohol related	1,248	17	4,325	14	8	13	5,581	15
Dishonesty	1,897	27	5,438	18	11	18	7,346	20
Driver and obligations	88	1	575	2	0	0	663	2
Driver licence	425	6	2,469	8	1	2	2,895	8
Drugs and anti-social offences	503	7	2,250	8	2	3	2,755	7
Justice (miscellaneous)	1,481	21	5,237	18	28	47	6,746	18
Manner of driving	0	0	0	0	0	0	0	0
Property abuses	71	1	453	2	2	3	526	1
Property damage	96	1	562	2	1	2	659	2
Sexual offences	14	0	734	2	0	0	748	2
Violence	1,040	15	7,030	24	6	10	8,076	22
Unknown	0	0	120	0	0	0	120	0
Total	7,146	100	29,872	100	60	100	37,078	100

(i) Based on unique offenders.

Note: Individual figures may not add up to stated totals due to rounding.

Source: Department of Corrections

New Zealand Police

The New Zealand Police Ngā Pirihiimana o Aotearoa is headed by the commissioner of Police – a statutory appointment made by the governor-general. The commissioner is accountable to the Minister of Police for delivering policing services, but acts independently on operational matters (eg, maintaining order, enforcing the law, and investigating and prosecuting offences).

New Zealand Police is organised into 12 districts, each managed by a district commander. National coordination comes from the national headquarters in Wellington. National and regional service centres provide administrative and specialised support in areas such as forensic services.

Police officers have a wide-ranging role, which includes eight main functions: keeping the peace, maintaining public safety, law enforcement, crime prevention, community support and reassurance, national security, participation in offshore policing activities, and emergency management.

Diversity valued by New Zealand Police

Gender, age, sexual orientation, religion, and ethnicity are no barrier to a career with New Zealand Police. The organisation believes that the more closely the profile of police officers and staff members reflects the makeup of society, the better able they are to serve New Zealand's communities effectively.

New Zealand Police is currently working hard to increase the number of female recruits. Although they made up only 25 percent of recruits on the courses in 2009, women did particularly well, with all the top prizes being awarded to new female recruits in 257 Wing.

In February 2010, when the Porirua City Council Leadership Award for a recruit was awarded for the first time – it went to a woman. Statistics also indicate that once women make the move to join the Police, they usually stay there.

Age is not a barrier to joining the Police – the police college's oldest recruit turned 51 last year.

As long as applicants can pass the assessments designed to ensure they are fit for the role, no upper age limit is set. Currently 146 police officers and 364 other staff members aged between 60 and 70 years are employed by the organisation.

New Zealand Police believes that as it becomes a more diverse organisation, knowledge, understanding, and empathy for other people grows, both inside the Police and within the wider community.

Staff from a range of ethnic and religious backgrounds, and from different sexual orientations, are considered a valuable resource that allows the organisation to improve its communication with diverse sections of the public.

Source: New Zealand Police

Image removed due to copyright issues

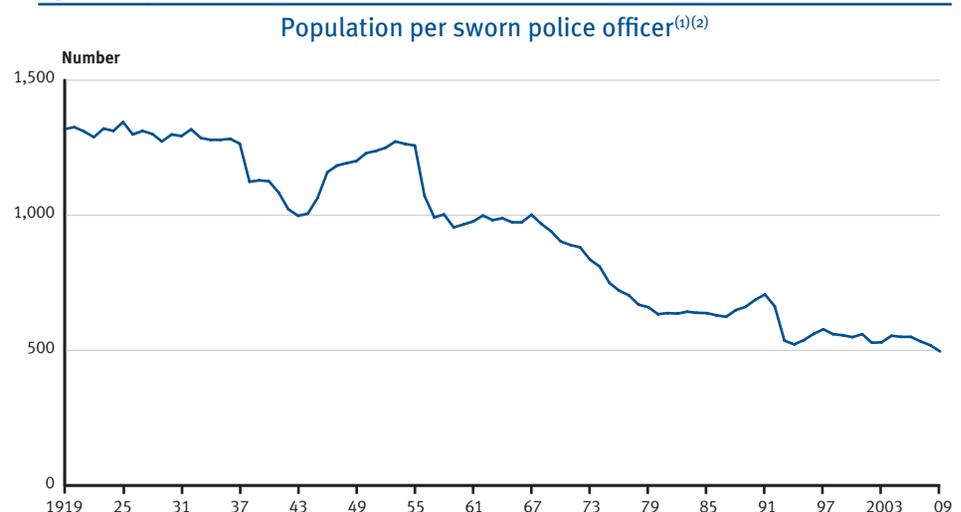
The Dominion Post

Senior constable Chris Craig (left) and Constable John Green with cheese blocks recovered from a 'great train robbery' in November 2009. The crime raised many smiles after a pair of suspected train robbers flung 160 kilograms of stolen cheese from a moving car while escaping in Manawatu. A man and a woman were to face charges.

The law enforcement side of policing often attracts a high profile, as police officers are responsible for enforcing the criminal law, principally through the Crimes Act 1961 and Summary Offences Act 1981, but also through various other statutes (such as the Arms Act 1983, Sale of Liquor Act 1989, and Misuse of Drugs Act 1975). Police prosecutors conduct summary prosecutions in district courts.

At 30 June 2009, New Zealand Police had more than 11,870 full-time equivalent staff – approximately 8,640 employees were constables (sometimes referred to as 'sworn' officers), about 3,100 other staff, and around 130 recruits who were undergoing training.

Figure 10.03



(1) Based on estimated resident population for the year ending 31 December. Numbers are expressed as full-time equivalents. (2) Years ending 31 December until 1976; years ending 31 March from 1977 to 1989; years ending 30 June from 1990.

Note: Until 1977, the number of sworn police was based on 'authorised' numbers. From 1977, numbers are actual sworn officers. From 1989 onwards, police recruits and those on leave (without pay or parental leave without pay) are excluded. From 1992, traffic safety personnel are included.

Source: New Zealand Police; Statistics New Zealand

Police operations

Communications centres New Zealand Police operates three communications centres – in Auckland, Wellington, and Christchurch. The centres handle three types of calls:

- 111 emergency calls – when urgent, immediate assistance is required
- non-emergency or general calls – for reporting less urgent incidents that occurred some time ago, and do not need an immediate police response
- *555 calls – for reporting road safety concerns.

In the year ending 30 June 2009, the communications centres took more than 1.7 million calls, including about 685,000 emergency 111 calls and 292,000 *555 traffic-related calls.

General duties policing Nearly 3,500 constables are rostered to provide 24-hour-a-day, seven-days-a-week, frontline policing. The general duties staff role is divided between proactive policing, where officers patrol or take other measures to detect and prevent crime, and responding to calls for service.

In a given shift, staff might help prevent street disorder, deal with a lost child, investigate a report of a stolen motor vehicle, attend a family violence incident or serious road crash, and prepare arrest files for offenders they have apprehended. Officers can also be called on to police major sporting or public events, or respond to many other incidents and calls for help.

Large numbers of incidents and calls for service occur every year. For example, in the year ending 30 June 2009, the Police responded to 493,000 incidents, including more than 36,000 reports of domestic disputes; dealt with over 16,000 cases of intoxicated people who needed to be taken home or kept in police custody for their own safety; and responded to over 14,000 reports of missing persons and 9,000 mental health-related incidents.

Specialist groups New Zealand Police has several specialist groups to respond to particular types of incidents. There are 17 armed offenders squads of specially trained and equipped officers around New Zealand. In the year ending 30 June 2009, these squads were deployed 789 times. In addition, a special tactics group, made up of selected members of armed offenders squads from Auckland, Wellington, and Christchurch, receives specialised training for it to deal with incidents beyond the capability of armed offenders squads.

Other specialist police groups include:

- Diplomatic Protection Squad – provides personal protection in New Zealand for government guests, such as royalty and heads of state, and is also responsible for protecting New Zealand dignitaries, such as the governor-general and the prime minister
- Specialist search group – undertakes searches for explosive devices, and other dangerous items and substances
- Land and close-to-shore search and rescue (SAR) squads – 23 police part-time SAR squads; in the year ending 30 June 2009 they controlled 1,669 call outs, and helped 2,330 people
- Police National Dive Squad – focuses on recovery during evidential searches, sometimes involving technically difficult underwater video work.

Police dogs A comprehensive network of police dogs and handlers is also maintained throughout New Zealand. During the year ending 30 June 2009, police dog teams responded to 36,242 calls for service, and apprehended 3,730 suspects by using dogs. A further 4,016 suspects were apprehended by police dog handlers.

Police officers work with 114 patrol (general-purpose) dog teams, eight narcotic detector teams, three firearm detector teams, and three explosives detector dog teams. Some patrol dog teams are trained in dual roles, including search and rescue (13 teams), victim recovery (10 teams), and tactical armed offenders squads (22 teams).

Criminal Investigation Branch (CIB) This branch of the Police is dedicated to investigating and solving serious crime, and targeting organised crime and recidivist criminals. The CIB's job is to investigate serious crimes, such as homicides, aggravated violence, sexual offending, certain drug offences, and fraud. Teams in each police district target crime 'hot spots'.

Modern policing tools help with most of the complex crime enquiries. A criminal investigation database records and organises information gathered during an investigation, while intelligence-led policing and analytical computer tools help the Police detect and suppress crime. Crime mapping is a tool that presents information on where certain types of crime are being committed, while link charting enables detectives to plot the relationship between criminals and their activities.

Drug policing New Zealand Police employs general duties officers, CIB squads, and specialist clandestine drug-making laboratory ('clan lab') teams to seize drugs, identify and arrest drug offenders, and locate and safely dismantle clan labs. The National Drug Intelligence Bureau, which consists of Police, New Zealand Customs Service, and Ministry of Health personnel, gives strategic and tactical support.

As shown in table 10.23 (overleaf), there were some significant changes in drug seizures during 2009 compared with the year before. The number of 'clan labs' detected and dismantled has also fluctuated – dropping from 190 in 2007 to 133 in 2008, but rising slightly to 135 in 2009.

Table 10.22

Reported assaults on police		
Year ending 30 June		
Year	Assaults involving weapons (firearms)	Total
2000	59 (19)	1,965
2001	66 (18)	1,997
2002	92 (30)	2,150
2003	88 (31)	2,072
2004	75 (30)	2,053
2005	87 (37)	1,869
2006	84 (22)	2,123
2007	88 (31)	2,248
2008	98 (29)	2,384
2009	102 (41)	2,481

Source: New Zealand Police

DNA and fingerprints provide links to crime

Forensic science provides valuable evidence that can be pivotal for solving serious crimes. DNA and fingerprint evidence can help to positively identify a suspected offender, and can also eliminate a person who is under suspicion as an offender.

The New Zealand National DNA Databank was established in 1996 after the Criminal Investigations (Blood Samples) Act 1995 was passed. Amendments to the Act in 2004 allowed buccal (mouth) scrapes to be used as an alternative to taking a blood sample for building DNA profiles.

By the year ending 30 June 2009, there were 97,585 DNA profiles stored in the databank. Police throughout New Zealand submitted more than 12,600 samples to be added to the databank in 2009. Over that same period, 2,185 DNA profiles that were obtained from evidence at crime scenes, or in connection with offences, were linked with DNA profiles held in the databank.

There are also more than 424,000 sets of fingerprints held in the Automated Fingerprint Identification System (AFIS) database in Wellington. Police submitted more than 96,000 sets of fingerprints for processing in the year ending 30 June 2009, either to confirm identity, or to add new offenders to the collection. In the same period, positive identifications were made from 8,511 crime scene fingerprints.

Source: New Zealand Police

Image removed due to copyright issues

The Dominion Post

Senior constable Jason Todd loads police dog Ila into his car after a visit to the vet. Ila was slashed when she leapt at a man in April 2010. Despite the injury, two weeks later she tied for first place at the National Police Dog Championships, retaining the title she won in 2009. New Zealand Police has 140 working dogs.

Table 10.23

Substance	Drug seizures ⁽¹⁾					
	By substance					
	Year ending 31 December					
	2004	2005	2006	2007	2008	2009
Amphetamine (grams)	2,146	694	237	746	995	1,364
Cannabis leaf (kgs)	625	777	752	524	792	646
Cannabis oil (grams)	8,266	1,406	2,978	912	20,046	968
Cannabis plants (number)	189,389	170,104	144,039	126,688	158,058	158,315
Cocaine (grams)	30,270	14,112	32,955	25	752	2,984
Ecstasy/MDMA (tablets)	115,256	28,736	8,769	3,123	25,806	15,264
Fantasy/GHB/GBL (millilitres)	118,818	22,919	202,294	5,131	853,043	68,585
Heroin (grams)	385	89	13	4	36	48
Khat/Catha edulis (grams)	30,456	18,347	54,329	3,988	146,048	143,071
LSD (trips)	745	1,529	3,483	1,031	2,672	53,177
Methamphetamine (grams)	28,460	30,693	121,838	39,304	23,971	17,974
Psilocybin (grams)	1,666	1,766	648	846	3,434	76
Psilocybin (mushrooms)	616	728	397	263	843	327
Pseudoephedrine and ephedrine (tablets)	2,159,017	2,321,645	2,718,869	1,806,452	3,919,557	5,817,389

(1) Combined New Zealand Police and New Zealand Customs Service.

Source: National Drug Intelligence Bureau

Road policing Drawing on both specialist and general duties staff, the Police delivers services to reduce the risks of road crashes, and prevent deaths and trauma on the roads. Specialist services include the work of the strategic traffic unit and highway patrol staff. Major areas of focus include:

- detecting and deterring speed offending
- detecting and deterring drink and drug-driving offending, including targeting recidivist drink drivers
- ensuring people wear seat belts and children are restrained
- enforcing the road code and traffic laws, and promoting safer driving practices
- managing traffic, and attending and investigating crashes.

A specialist division within the Police is responsible for enforcing road user charges and checking commercial vehicles. The commercial vehicle investigation unit monitors trucks, buses, taxis, couriers, mobile cranes, and mobile homes. The unit has 88 enforcement officers and four vehicle safety officers around the country. It operates both mobile and weigh-bridge stations. Officers inspect around 140,000 commercial vehicles annually, and weigh about 45 percent of them.

Police Infringement Bureau (PIB) The PIB is the national processing centre for police-issued infringement offence notices (eg, liquor and traffic notices), and also makes judgments in connection with these notices.

The PIB administers the speed camera programme. During 2008/09, mobile and fixed cameras delivered more than 78,000 hours of activity. Camera sites are selected by road safety and community groups who, together with the Police, identify areas with a history of speed-related accidents. 'Anywhere/anytime' cameras were introduced in December 2003. From April 2004, signs indicating speed camera zones were removed, to encourage drivers to remain within the speed limit over their whole journey. The speed camera programme continues to be enhanced – in 2008/09, 12 extra mobile cameras and 20 more operators were deployed.

Youth Education Service (YES) Delivered by more than 100 police education officers, YES provides crime prevention programmes to schools and school communities. The service promotes a curriculum for schools that has four themes:

- crime prevention and social responsibility programmes focused on reducing opportunities for young people to be involved in anti-social behaviour, or to commit crime
- drug education programmes
- road safety education, through school traffic safety teams and the RoadSense and RoadSafe Series programmes
- violence prevention, for example, Keeping Ourselves Safe (personal safety) and Kia Kaha (anti-bullying).

Youth Aid Under the Children, Young Persons and Their Families Act 1989, criminal proceedings are not taken against children or young people if there is an alternative way of dealing with the matter – unless the public interest requires otherwise. This aims to limit the number of young people who get involved in the formal youth justice process.

Police Youth Aid diverts approximately 80 percent of young offenders away from the formal youth justice process, by using warnings, cautions, and other actions.

New Zealand Police works overseas

Image removed due to copyright issues

The Dominion Post

Police and volunteers search through debris on Samoa's Saleapaga beach for victims of the September 2009 tsunami. By early October, the New Zealand Police presence included victim identification specialists, radio communications people, a specialist search group, and dog handlers with victim recovery dogs.

The New Zealand Police International Service Group (ISG) has four main roles:

- furthering New Zealand's law enforcement interests internationally
- supporting New Zealand's foreign policy objectives in the Pacific region and beyond
- contributing to peace support and peacekeeping operations
- contributing to disaster and emergency response, security liaison, and other tasks as required.

The ISG's work has an emphasis on the south and west Pacific region, and in south-east and north Asia. There is a strong focus on developing and managing relationships with foreign counterparts – establishing formal relationships where beneficial. The ISG aims to develop New Zealand Police's profile internationally while balancing the impact on domestic policing.

In June 2009, the Police had 102 staff serving in more than a dozen countries (the number peaked at 126 in 2006). This included police liaison posts staffed by senior officers in Sydney, Canberra, Washington DC, London, Bangkok, Jakarta, and Beijing.

Police had operational roles on overseas deployments, including in the Solomon Islands, Timor-Leste, and Afghanistan. New Zealand Police staff were also seconded to the Royal Solomon Islands Police Force, Niue Police, Tonga Police Force, and had an attachment to the Joint Inter-agency Task Force (West) in Honolulu.

In addition, the ISG manages a number of long-term programmes and short-term projects that provide capacity-building assistance to south-east Asian and Pacific police services.

Source: New Zealand Police

Youth development New Zealand Police also delivers youth development programmes. The programmes use mentors to develop support for young offenders within their families.

Constables and other police staff provide services that help shape how the families work together. They work to ensure offenders and their siblings are prevented from becoming part of a cycle of victimisation and (re-)offending. Police also manages contracts with external community agencies that target youth offending and general violence.

Community policing Throughout New Zealand, there are approximately 450 community constables and other staff working in community policing positions. Their role includes a proactive focus on identifying and solving community crime and safety-related problems, to reduce real crime and road trauma and increase community safety and reassurance.

Community policing staff are helped by government, non-government, and community groups. Some community police staff are focused on geographic communities (including rural); some on communities of interest such as youth, or on problems such as alcohol or graffiti; and some are working in dedicated community policing teams.

Community support groups Community involvement in identifying crime and safety-related problems, and in working alongside the Police to create safer, more caring communities, is fundamental to the New Zealand approach. Police officers work closely with partners, exchanging information with community groups such as Māori wardens, neighbourhood support groups, and community patrols of New Zealand. Officers also work closely with Victim Support, women's refuges, and other violence intervention, road safety, youth development, and health groups – all are interested in reducing crime and victimisation, and making communities safer.

Contributors and related websites

Crown Law Office – www.crownlaw.govt.nz

Department of Corrections – www.corrections.govt.nz

Environmental Science and Research – www.esr.cri.nz

Independent Police Conduct Authority – www.ipca.govt.nz

Law Commission – www.lawcom.govt.nz

Legal Services Agency – www.lsa.govt.nz

Ministry of Justice – www.justice.govt.nz

New Zealand Council of Victim Support Groups – www.victimsupport.org.nz

New Zealand Police – www.police.govt.nz

Organised and Financial Crime Agency New Zealand – www.ofcanz.govt.nz

Serious Fraud Office – www.sfo.govt.nz

Statistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

The New Zealand Herald

Closed-circuit television (CCTV) operator Pierre van Sambeek keeps an eye on the bank of screens at the Downtown Police Station in Auckland. The station's 28 CCTV cameras, positioned strategically around the inner city, contributed to 2,232 arrests in the 2008/09 financial year. Footage from the cameras is kept for 21 days before being recorded over.

11 | Communications

In New Zealand and around the world, information, broadcasting, and telecommunication technologies are converging. These technologies play a key role in enhancing the lives of individuals and communities, and in accelerating economic growth.

The rapid expansion of the Internet has probably caused more social and economic change than any other aspect of information and communication technology (ICT). However, as full participation by local, national, and international communities becomes increasingly dependent on access to ICT and on having the skills to make use of it, the need to ensure 'digital inclusion' is a constant challenge.

New Zealand's small size, geographic isolation, and technologically aware population have all contributed to the widespread and rapid uptake of ICT, particularly in relation to Internet access. In June 2009, there were 66 Internet service providers operating in New Zealand, and there were around 1.57 million active subscribers, over 1.13 million of whom were using broadband to access the Internet.

Several competing telecommunications companies in New Zealand offer an extensive range of ICT services, including television, telephony, and Internet access. The Government has actively encouraged such competition, and, in recent years, has introduced regulations requiring the unbundling of the local loop and the operational separation of the telecommunications provider Telecom New Zealand Ltd. Government has implemented a wide range of ICT initiatives in e-government, health, commerce, and education.

Ministry of Economic Development

The Ministry of Economic Development provides advice to the government on ICT services. The ministry also markets policy issues, manages the radio spectrum, and represents New Zealand's ICT-related interests at the Organisation for Economic and Co-operation and Development and the International Telecommunication Union. The ministry administers the Telecommunications Act 2001, Postal Services Act 1998, and Radiocommunications Act 1989.

The government's role is to:

- establish a regulatory environment that promotes competition and investment in ICT service markets (telecommunications, broadcasting, and postal) for the long-term interests of consumers
- ensure social and cultural objectives are met in the communications industry, such as providing services to everyone and ensuring that New Zealand content is visible online

Convergence

Convergence is a term that describes how technology has driven the way markets have evolved.

In the past, telecommunications, information technology, and broadcasting all operated independently in terms of the technology used, the information transmitted, and the networks employed. Television, radio, telephones, and computers were used for discrete purposes and the services provided were regulated separately.

Technological convergence enables traditionally distinct voice and data transmissions to be transported over the same network, with integrated devices being used by the receiver for purposes such as telephony, television, or personal computing.

This convergence offers substantial opportunities for new services to develop – convenience, efficiency, and an increase in choice for consumers. Convergence allows both traditional and new communication services to be provided over the same networks. This can lower the price of communications services, due to increased efficiency and lower overall network capital expenditure costs.

These technological changes are forcing telecommunications and broadcasting companies to change their business models. For example, telecommunications companies are realising that demand for traditional telephone services are declining, and are looking for ways to increase their service revenues and profitability by providing new services, such as high-quality content.

For broadcasters, a channel with a single programme schedule is no longer viable. They now need to create content, package it, and distribute it across multiple platforms.

One of the most rapid areas of technology change is wireless ICT infrastructure, as older analogue systems are being replaced by new digital systems that improve bandwidth use and service quality, and provide a wider range of services.

Source: Ministry of Economic Development

- ensure the radio spectrum resource is used efficiently and allocated in a way that is most beneficial to New Zealanders
- facilitate the provision of broadband and uptake of information technology across the economy and within communities.

Internet

Of New Zealand's 1.57 million Internet subscribers as at 30 June 2009, 79 percent were residential (household) subscribers and 21 percent were business/government subscribers. The number of subscribers using broadband (as opposed to dial-up) stood at 1.13 million, and 873,500 of those broadband subscribers used digital subscriber line (DSL) technology (which uses a copper wire local loop).

Commercial Internet services in New Zealand have largely developed through the private sector, although the government helped establish the Internet by funding universities and other research institutions. Government has also regulated to encourage competition, and has recently embarked on an initiative to bring fibre-optic connections to the majority of New Zealand homes over a 10-year period.

Responsibility for domain name registrations in the .nz domain (eg, stats.govt.nz) lies with InternetNZ. In general, there are minimal restrictions on organisations or individuals who wish to register a name in the .nz domain.

At 30 September 2009, there were 374,099 active registrations in the .nz domain. During the month of September 2009, 9,181 new domain names were created, compared with 7,830 in September 2008. There are seven moderated second-level domains in the .nz domain name space: bank.nz, .cri.nz, .health.nz, .govt.nz, .iwi.nz, .mil.nz, and .parliament.nz (ac.nz is not moderated).

InternetNZ has implemented a dispute resolution service for .nz domain names. The dispute resolution service provides an alternative-to-court action, giving parties another mechanism to resolve disputes.

Business use Businesses may use the Internet to increase growth, for example, by engaging in e-commerce. In 2008, 40 percent of businesses used the Internet to receive orders for goods or services and 63 percent used the Internet to place orders.

Individual use In 2009, the most common Internet activity was sending or receiving emails – 72 percent of people used the Internet for this. Thirty-seven percent reported that they used the Internet for social networking (on websites such as Facebook or Twitter).

In 2009, over 40 percent of people aged 15 years and over made at least one online purchase in the last 12 months. This was 14 percent more than in 2006. Those in the 25–44-year age group were still the most likely to make an online purchase, with 56 percent of individuals in this age group doing so in 2009.

Figure 11.01

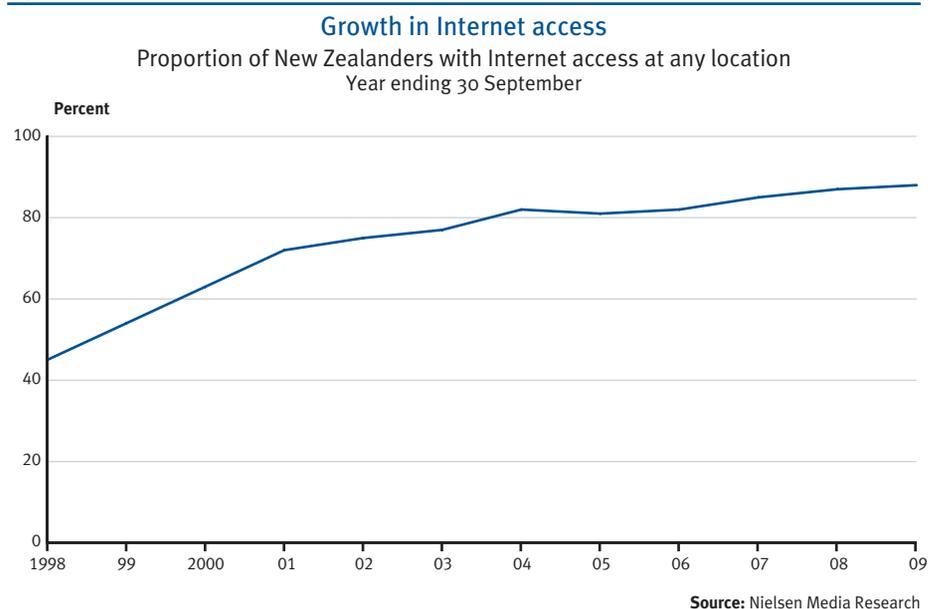
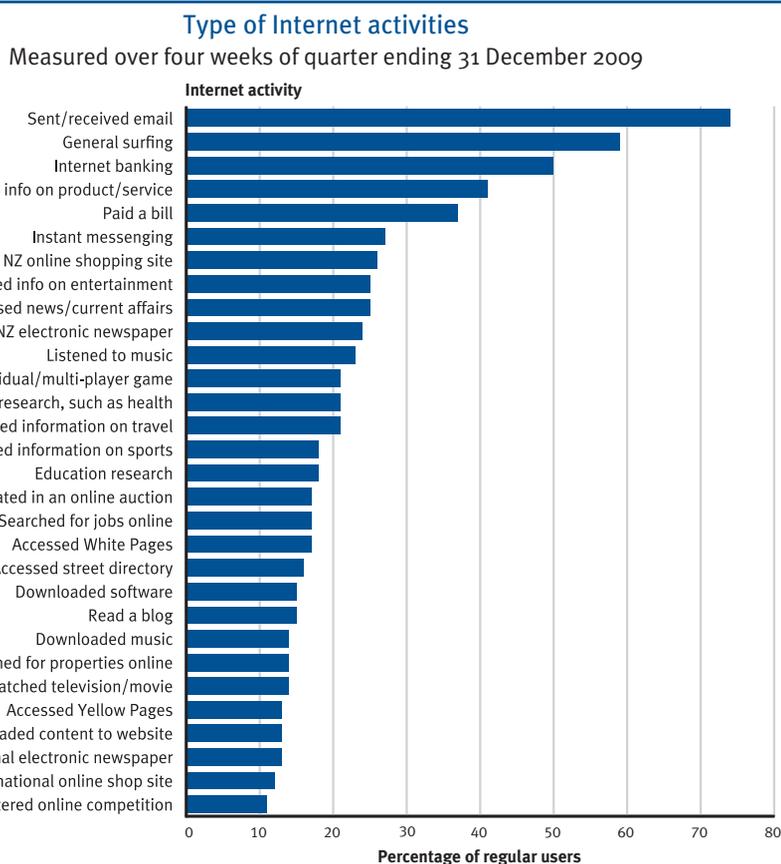


Figure 11.02



Source: Nielson Media Research

Broadband

Broadband (high-speed Internet) data services are both high speed and ‘always on’ (that is, users do not need to establish a specific connection to a service provider, apart from an initial set-up).

Broadband became the main connection technology in New Zealand in 2007, when it overtook the number of dial-up connections for the first time. By June 2009, there were 1.13 million broadband subscribers.

Information about broadband coverage is important to policy makers. It indicates to what extent individuals and businesses are able to subscribe to broadband if they wish, regardless of price, usage, or speed constraints. Broadband coverage is available either through wired network services, terrestrial fixed wireless services, or satellite-based technologies.

Digital subscriber line (DSL) technologies use a copper wire local loop to deliver data services. Most OECD countries have extensive DSL coverage, with the majority of them having 90 to 95 percent coverage. By the end of 2008, New Zealand’s DSL coverage, by population, was 93 percent.

High-speed mobile technologies are becoming increasingly important in the broadband landscape. Mobile broadband is a service that complements fixed-network broadband. By the end of 2008, 3G (or ‘third generation’ broadband, which allows simultaneous use of speech and data services, and higher data rates) coverage in New Zealand was at 97 percent of the population.

Residential broadband uptake has been below the OECD average, but the ranking has been improving as prices reduce.

A number of relatively small, localised wireless operators offer broadband wireless services that use the general user radio licence spectrum (2.4 and 5 GHz bands). In addition, many private or semi-private networks use this spectrum. Since operators are not required to obtain permits or to register services, the number of such networks is not known.

A small number of broadband wireless service providers have also been offering services using the licensed spectrum (eg, Woosh Wireless and Kordia Extend both use the licensed 2 GHz band). There are also many regional operators who offer services using 3.5 GHz area licences, as well as some starting up in the Managed Spectrum Park, in the 2.5–2.6 GHz band.

Ultra-fast broadband As part of its wider strategy to increase New Zealand’s competitiveness globally, particularly when compared with other OECD countries, the Government intends to make a significant change to how broadband services are provided. In 2009, it committed to initiatives that will accelerate New Zealand’s broadband infrastructure.

In 2009, it committed to a push to implement ultra-fast broadband to 75 percent of New Zealanders. In the first six years the focus is on priority broadband users, such as businesses, schools,

Otago town offers free wi-fi

Image removed due to copyright issues

Local resident Nina Arron, using her laptop on the main street of Lawrence.

The Central Otago town of Lawrence, famous for its 1860s goldrush, made 21st-century history in 2009 by becoming the first small town in the country to offer free wireless Internet for locals and visitors to its main business district.

The move – which cost around \$3,000 to set up – means that anyone with a computer or laptop in the middle of Lawrence (population 550) can now surf the Internet free of charge.

Lawrence couple Frank Buddingh and Nina Arron were behind the development, which also had the financial backing of Lawrence businessman Jim Robertson. He paid for two mini relay stations to be set up and is also covering the \$65 monthly access charge.

The couple, familiar with having reliable, high-speed, and cheap Internet service while living in the United States, said they were continually frustrated at the poor service in New Zealand. More and more people, especially overseas visitors and business people, had laptops with them as they travelled, so they felt it made sense to offer them free Internet access to encourage them to stay longer in the town.

“We see this as a great promotional opportunity for Lawrence. It’s an encouragement to get people to not just stop here, but to stay a little longer, buy that second cup of coffee, or have a meal instead of a snack, and take the time to notice the other great shops and sightseeing opportunities while they are here,” Ms Arron said.

Internet use is monitored, with a cap placed on data downloads.

In September 2009 the town also made it possible for visitors to make free international phone calls to 44 countries from the visitor information centre.

Source: Otago Daily Times

All of a twitter

Twitter is a social networking and microblogging service that lets subscribers write and read messages up to 140 characters long (including punctuation and spaces).

The messages are public, and it's up to the reader to decide what sort of message they want to receive.

Twitter messages – or tweets – can be sent and received either from a computer or a mobile phone.

Twitter was introduced in 2006, and by the end of 2007 about 500,000 tweets were posted every three months. Twitter has mushroomed since then, with 4 billion tweets being posted in the first three months of 2010.

Statistics New Zealand began using Twitter in late 2009 as a way of responding to the public's growing use of social media. Tweets alert people to the availability of new data, and to let them know about new services and events from Statistics NZ.

After four months, about 350 people were following Statistics NZ's tweets and, importantly, some of them were sending on (retweeting) these messages to their own followers. This meant that some messages may have reached 2,000 to 3,000 people.

More and more organisations are using Twitter for professional reasons – the costs are low and it's quick to post a tweet.

With the growing popularity of social media, Statistics NZ plans to use other opportunities, such as Facebook, to reach more people in the ways many find most useful.

Source: Twitter; Statistics New Zealand

and health services, plus new developments and some residential areas. Ultra-fast broadband is a fibre-to-the-premises (FTTP) broadband service that provides download speeds of at least 100 megabits per second (Mbps) and upload speeds of at least 50 Mbps.

Through this ultra-fast broadband initiative, the Government is investing up to \$1.5 billion in open-access, fibre-optic infrastructure, along with private sector co-investors. The total investment is being managed by a jointly owned local fibre company in each region, which will set up, own, and operate the open-access network in a given coverage area.

The Government's innovative commercial model is designed to address the key economic barrier to private investment – the risk of uncertain uptake. The model sees the Crown shoulder a significant portion of that risk, with the partner required only to invest in the network as customers connect.

The Government's investment in local fibre companies is being managed by a new company called Crown Fibre Holdings.

The Government's rural broadband initiative, a \$300 million investment in fibre optics to rural schools and associated communities, will ensure that broadband will be available to New Zealanders living outside the limit of the urban ultra-fast broadband initiative. Fibre backhaul is currently the primary limiting factor in delivering rural broadband. Providing fibre to the vast majority of rural schools will make it possible to provide faster broadband to the communities the schools serve. Very remote schools and communities will be served by other technologies, including satellite-based broadband infrastructure.

Spam A term generally used for unwelcome electronic messaging, spam normally appears as an unsolicited bulk email that markets a product. Spam uses up network resources and the productive time of computer users, is a vehicle for viruses and scams, and undermines people's confidence in using electronic communications.

The Government has adopted a multilateral strategy to combat spam, which includes legislation (the Unsolicited Electronic Messages Act 2007); self-regulation (industry codes of practice); technical measures, education, and awareness-raising for users; and international cooperation. The Act, which is enforced by the Department of Internal Affairs, prohibits sending commercial electronic messages (as defined by the Act) without the consent of the recipient. Service providers have developed industry codes of practice for text messaging and email. The Direct Marketing Association has a code of practice for e-marketing.

E-government

In 2008 the State Services Commission's (SSC) information and communication technologies branch separated into an information and communication technology (ICT) leadership unit and a service delivery unit. This has enabled better governance and uptake of shared ICT services across government departments and agencies.

The ICT leadership function is now known as the Government Chief Information Office, and along with the ICT capability and monitoring function, remains at SSC. The service delivery function is now known as Government Technology Services, and is with the Department of Internal Affairs.

Government Chief Information Office (GCIO) This office has a leadership and strategy function across the whole state sector, to set standards and to ensure that ICT and e-government initiatives are used to continuously improve the state sector system. GCIO work focuses on:

- setting the strategic direction for managing ICT by engaging with chief executives and ministers
- ensuring common ICT capabilities are supporting agency efforts to improve front-line services. The office mandates the use of e-GIF, an ICT framework that helps government agencies work together
- addressing barriers to ICT being used to improve services and performance. A new licensing model for non-personal Crown data will help reduce barriers to government-held information and make its use more transparent
- leading thinking about ICT, to consider how technology changes society, and the New Zealand e-Government Strategy 2006. The strategy anticipates ICT will have changed people's way of interacting with government by 2020.

ICT capability and monitoring This oversees large or high-risk projects across the state sector, to ensure value for money. Focus areas are:

- providing independent quality assessments for major capital investments
- monitoring major ICT projects to provide assurance to ministers on benefits, timeliness, and budget compliance.

Government Technology Services (GTS) This group is the ICT centre of excellence for delivering ICT services across the government sector.

GTS services include: identity information management and online authentication; providing government information – through public websites and an intranet; communication network services; and acquiring enterprise software across agencies.

GTS is developing services that allow the public to use the same username and password to access any government agency online. A pilot programme that lets people verify their identity was being tested in 2009/10.

Broadcasting

Broadcasting policy

The Government has three priorities for the broadcasting sector: supporting the process of digital switchover in television, supporting widely available quality public broadcasting through enhanced contestable funding, and increasing the transparency and efficiency of funding processes.

There are many benefits from switching from analogue to digital transmission for television. These include the lower cost and greater service available from digital services, and the opportunity to reallocate approximately 100 MHz of ultra high frequency (UHF) spectrum to other economic activity, such as mobile broadband services.

Government support for digital switchover began in 2007, with support of the Freeview digital platform and the provision of funding to Television New Zealand (TVNZ) for two advertising-free, digital-only channels. This funding continues to 2012.

Digital switchover in New Zealand is expected to occur between 2013 and 2015, with government providing support for a public information campaign. All this work will be managed by the Ministry for Culture and Heritage.

Both TVNZ and Radio New Zealand are Crown companies.

Government also allocates funds to the National Pacific Radio Trust, to provide radio services that foster Pacific languages and culture, and to the Broadcasting Standards Authority, to maintain an independent complaints determination service.

The bulk of government support for broadcasting is provided as contestable funding, allocated by NZ On Air. Funding is provided to create a range of New Zealand content that comprises television and radio programmes (including access and community radio and television), music, and digital content.

In 2009, funding that was previously available directly to TVNZ, to assist in fulfilling its charter obligations, was redirected to NZ On Air's general contestable pool for television projects.

The Ministry for Culture and Heritage is working to ensure there is increased public access to information about the allocation of public funds for broadcasting and the results achieved.

Broadcasting Commission (NZ On Air)

The role of the Crown entity NZ On Air Irirangi te Motu is to support New Zealand broadcast and new media content that is of a type not provided by commercial means. Members of NZ On Air's board are appointed by the Minister of Broadcasting and the board's statutory objectives are set out in the Broadcasting Act 1989.

NZ On Air primarily seeks programme diversity on the airwaves. Its funding priorities are:

- New Zealand television programmes for both mainstream and special interest audiences
- Radio New Zealand – maintaining the non-commercial and independent National and Concert networks
- promoting New Zealand music intended for broadcast
- community broadcasting – operational funding for Access and special interest radio stations, and programme funding for regional television channels
- broadcast archiving
- new media content, such as NZ On Screen.

The Act requires NZ On Air to support programmes for women, youth, children, people with disabilities, and minorities in the community, including ethnic minorities. It must also support broadcasts that reflect the diverse religious and ethical beliefs of New Zealanders, as well as television drama and documentary.

The Broadcasting Amendment Act 2008 expanded the scope of the original Act, enabling NZ On Air to support the production, transmission, and archiving of digital content with the development of digital broadcasting in New Zealand and internationally.

When investing in programme production, NZ On Air must take into account factors such as the availability of other sources of funding, likely audience size, and the likelihood of a programme being broadcast.

NZ On Air is funded by the Crown through the Vote Arts, Culture and Heritage allocation. In the 2008/09 financial year, NZ On Air invested just under \$91 million in producing television programmes. This includes TVNZ Charter funding, in the last year of that arrangement. From

Freeview

Freeview was established in 2007 by New Zealand's free-to-air broadcasters, including TVNZ, MediaWorks TV (owners of TV3 and C4), Māori Television, and Radio New Zealand, to offer a free digital television service.

To watch programmes broadcast on Freeview, viewers must have a television with an inbuilt digital receiver; or a digital set-top box, along with either a satellite dish or a UHF aerial.

Digital transmission is a change to the way television and radio signals are broadcast. As digital signals use less bandwidth, more channels and better quality pictures and sound can be provided.

Until now, the television programmes most New Zealanders watch have come from an analogue signal. The existing analogue services are expected to be switched off in the next three to five years.

As well as better television reception, Freeview offers access to radio and to interactive television content, such as its on-screen eight-day programme guide.

The Freeview satellite service covers the whole of New Zealand and offers access to TV ONE, TV2, TV3, TV3+1, C4, C42, Māori TV, TVNZ 6, TVNZ 7, Prime, Stratos, Parliament TV, CUE TV, Te Reo, Shine TV, Radio New Zealand National, Radio New Zealand Concert, BASEFM, and George FM.

The high-definition service Freeview HD, which is broadcast by UHF signal, was launched in April 2008 in nine major centres (Auckland, Hamilton, Tauranga, Napier, Hastings, Palmerston North, Wellington, Christchurch, and Dunedin).

Freeview HD covers 75 percent of New Zealand homes and offers access to TV ONE, TV2, TV3, TV3+1, C4, C42, Māori TV, TVNZ 6, TVNZ 7, Prime, Parliament TV, Chinese TV8, Radio New Zealand National, Radio New Zealand Concert, and BASEFM.

Source: Freeview

NZ On Screen

In late 2008 a website with a unique public-access approach to the wealth of shows, scenes, and moments that make up New Zealand screen culture was launched.

NZ On Screen (nzonscreen.com) is the online showcase of New Zealand television, film, and music video.

Fully-funded by NZ On Air, the website includes television hits, landmark documentaries, National Film Unit gems, music videos, and award-winning short films.

Featured are Billy T James, *bro'Town*, *Patu*, *Close to Home*, *Gloss*, *Country Calendar* spoofs, *Kaikohe Demolition*, *Nice One Stu*, *Spot On*, and much more. If you can remember it 'on the box', chances are you can revisit it on NZ On Screen.

Many 'event' New Zealand television moments – *The Governor*, *Tangata Whenua*, an infamous Muldoon interview, and "You're not in Guatemala now, Dr Ropata" – can also be revisited for the first time since they screened.

Courtesy of the project, many treasures have had the dust blown off them, been digitised, and are finding new audiences online.

New Zealand-made films are also connecting with international audiences, and documentaries on such diverse subjects as Peter Snell, John Britten, and kea mountain parrots have attracted tens of thousands of visitors.

NZ On Screen's focus is on the clips (screened in streaming video), which are backed up with behind-the-scenes interviews and lively articles that give context to the content.

In its first year, the NZ On Screen project won a Qantas Media Award for Best Entertainment Website and was a finalist in the inaugural Onya Awards (organised by the New Zealand web industry) for Most Outstanding Website. The *Sunday Star Times* called the site a "genuine cultural treasure trove".

Whether it's for nostalgia, edification, or simply for a laugh, visiting the site provides hours of highly enjoyable distraction.

Source: NZ On Screen

2009/10 this funding has been fully transferred to NZ On Air to create the new, contestable Platinum Fund.

Radio New Zealand National and Concert received \$31.7 million in 2008/09. NZ On Air also spent \$5.3 million on New Zealand music projects, \$2.2 million on new media initiatives, \$1.3 million on broadcasting archives, and just over \$1.0 million on programmes for commercial radio.

Broadcasting Standards Authority

The Broadcasting Standards Authority (BSA) is an independent Crown entity set up by the Broadcasting Act 1989, and reporting to Parliament through the Minister of Broadcasting. The authority's mission is 'fairness and freedom in broadcasting'.

The BSA's three main functions are to:

- approve broadcasting codes that specify television and radio programme standards
- determine complaints alleging breaches of standards
- research standards-related issues.

The authority has four members, one of whom is appointed after consultation with broadcasters, and another after consultation with public interest groups.

In the 2008/09 reporting year the BSA received 167 complaints and issued 151 decisions.

Of the 151 decisions issued, 83 percent concerned television programmes, and 17 percent concerned radio broadcasts. Twenty-five (17 percent) complaints were upheld in full or in part, 22 of which concerned television broadcasts, and three of which concerned radio. On television, the most complained about programmes were *One News* (24 complaints, 2 upheld), *3 News* (13 complaints, 1 upheld), *Close Up* (12 complaints, 2 upheld), and *Breakfast* (11 complaints, 1 upheld). Fourteen of the 26 radio complaints related to talk/talkback radio.

Māori broadcasting

Under the Radio Communications Act 1989, frequencies suitable for radio and television were reserved throughout New Zealand for promoting Māori language and culture.

From 1989 to 1994, NZ On Air provided public funding for the operating and capital costs of iwi (tribal) radio stations and for producing Māori programmes broadcast on network television.

The Broadcasting Amendment Act 1993 established the Māori broadcasting funding agency Te Reo Whakapuaki Irirangi, which operates as Te Māngai Pāho. Te Māngai Pāho was established to promote Māori language and Māori culture by making funds available for broadcasting, and for producing programmes to be broadcast.

In January 1995, Te Māngai Pāho assumed primary responsibility for allocating public funding for Māori broadcasting. This includes buying Māori language programming for broadcasting on national television and buying te reo Māori content from 21 iwi radio stations. Māori radio programming is also purchased from programme providers through contestable funding rounds, and from programmes made available to Māori stations through a nationwide radio programme distribution service. Te Māngai Pāho also funds the production of music singles and albums in the Māori language.

In 2001, the Government confirmed its intention to establish a Māori television channel, and the Māori Television Service Act was passed in 2003. The channel, known as Māori Television, began transmission in March 2004 on free-to-air digital and UHF frequencies.

The principal function of the television service is to promote te reo Māori me ngā tikanga Māori (Māori language, culture, and heritage) by providing a high-quality, cost-effective television service, in both Māori and English, which informs, educates, and entertains, and in doing so enriches New Zealand's society, culture, and heritage.

Television programme funding is provided by Te Māngai Pāho through direct funding to Māori Television (for in-house production and acquisitions), and through contestable funding to other broadcasters and independent production houses (for programmes destined for Māori Television or the other national networks).

In 2008, an amendment to the Broadcasting Act 1989 was passed. The amendment updated the powers of Te Māngai Pāho, to reflect changes in broadcasting technology in the new digital environment and the level of Māori broadcasting output. The amendment expanded Te Māngai Pāho's role to include the funding of archiving as a primary task, alongside the funding of broadcasting and programmes for broadcast. It also added a secondary function – the ability to make funding available for transmitting on demand, and producing content for transmitting on demand.

New Zealand's first 100 percent Māori language television channel, Te Reo, was launched on 25 March 2008.

In the year ending 30 June 2010, Te Māngai Pāho's broadcasting funding was \$40.3 million for television, \$11.3 million for radio, and \$0.5 million for archiving.

Telecommunications

The level of telecommunications service in New Zealand is comparable with most other OECD countries. Market penetration is high, with more than 91.6 percent of households having fixed-line telephone services (2006 Census), and 85.0 percent of individuals using a mobile phone for personal use in 2009.

Telecom New Zealand Ltd, provider of the most extensive range of telecommunication services throughout the country, was established as a state-owned enterprise in 1987 and privatised in 1990. Telecom's major competitors are Vodafone and TelstraClear, although there are several other small telecommunications operators in New Zealand who primarily use Telecom's fixed-line network or offer wireless services.

Telecom and Vodafone provide cellular mobile phone services, with their networks providing extensive coverage within New Zealand. In 2009, a new network operator, 2degrees, entered the mobile market.

There is particularly high use of prepaid phones and SMS (short message service) messaging in New Zealand. Given New Zealand's small population and relatively large geographic area, the more advanced telecommunication services (for example higher broadband speeds) are more available in urban areas. Nevertheless, 93 percent of the population has access to broadband via the fixed-line network, with satellite access being available to all.

The 2006 Government Telecommunications Stocktake led to wide-ranging reforms that paved the way for new competition (and ultimately, new investment in network services and infrastructure). This has been achieved primarily by introducing unbundled wholesale services that enable competitors to access Telecom's local loop circuits and bitstream services; the operational separation of Telecom into wholesale, network access, and retail businesses; and identifying and allocating additional spectrum for wireless broadband services.

Service providers responded to the regulatory changes by making significant investment commitments on top of their usual business. Substantial private investment in the telecommunications sector (in both broadband and mobile networks) is expected in coming years. This includes investment in dark-fibre infrastructure, as part of the Government's ultra-fast broadband initiative, which will provide fibre to, or close to, people's homes (supported by mobile and satellite solutions where appropriate).

Mobile While the number of mobile phone subscribers in New Zealand is higher than the OECD average, call prices are high by international standards (above the average for OECD countries). Further investment, primarily through the entry of a third mobile network operator to the New Zealand market, has increased competition and put downward pressure on pricing.

Telecommunications Act 2001 The Act established an industry-specific telecommunications regulatory regime in New Zealand. This included setting up the position of telecommunications commissioner. In 2005, a stocktake of the New Zealand telecommunications sector was undertaken, and consequently the Act was amended in 2006.

The telecommunication sector's key challenge is how to play a leading role in meeting the country's objectives for sustainable economic growth.

Commerce Commission The commission is an independent regulatory body with a range of powers to address telecommunications service market issues. The commission's key telecommunications-related functions are to resolve disputes over regulated services, to report to the Minister of Communications on the desirability of regulating additional services, and to calculate and allocate the net cost of telecommunication service obligations.

Telecommunications service obligations

Universal telecommunications services for all New Zealanders are critical for economic growth and developing a knowledge-based economy, as well as for providing essential social benefits and fast access to emergency services.

When the Government privatised Telecom in 1990, the crucial importance of a local telephone service for households was recognised through the Kiwi Share Obligations (KSOs) that Telecom agreed to at that time. The KSOs required Telecom to ensure standard telephone services are available and affordable for New Zealanders. The KSOs have enabled New Zealanders to retain a degree of control over a telephone network that generations of public funding had developed.

The obligations in the original KSO have been included in the Telecommunications Service Obligations (TSO) framework. The TSO framework has two essential features:

- it provides for the supply of certain telecommunications services that would otherwise not be made available commercially
- it provides the ability to levy the telecommunications service providers to recover the subsidy cost for the supply of TSO services.

Texting in te reo

In what is being hailed as a New Zealand first, Telecom has included Māori words, such as 'Aotearoa', 'kia ora', and 'whanau', in the predictive text dictionary for some of its new mobile phones.

As well as common greetings, the Māori words include days of the week, months of the year, numbers from one to 10, and popular New Zealand place names.

"The initial list is at 100 words, and our goal is to make it bigger," Telecom spokeswoman Rebecca Earl said.

"People can feel free to send us words that they think we might have missed."

The list was created with help from the Māori Language Commission, which indicated what words might be most commonly used in text messages. Chief executive Huhana Rokx said the commission had been delighted to support Telecom with the service.

"Our young people who are growing up as bilingual Māori/English language speakers are also active mobile users and expect the same immediate service in Māori that predictive texting offers in the English language," Ms Rokx said.

The devices offering te reo Māori predictive texting include two Telecom-branded handsets and a Samsung model. More were to follow after the launch in May 2009.

The handsets also feature spoken voice dialling in Māori, Chinese, and English – where the handset 'says' the numbers from 0–9 when pressed.

Source: Otago Daily Times

The **Local Service TSO** ensures that a standard residential local telephone service:

- is available to residential users in urban and rural communities throughout New Zealand
- includes unlimited local calls
- limits price rises to no more than the rate of inflation
- provides for emergency service 111 calls.

The **Telecommunications Relay Service** was established under the TSO framework in November 2004 to meet the telephone communication needs of deaf, deaf-blind, hearing-impaired, and speech-impaired people. Sign language became the third official language of New Zealand (after English and Māori) when the New Zealand Sign Language Act 2006 was passed. The Government is currently reviewing the Telecommunications Relay Service, including the case for provision of a video relay service.

Telecom Corporation of New Zealand Ltd provides a full range of Internet, data, voice, mobile, and fixed-line calling services to customers in New Zealand and in Australia.

Telecom has been privately owned since September 1990 and is now listed on stock markets in New Zealand, Australia, and New York.

Telecom has New Zealand's most extensive telecommunications network and directly employs over 7,000 staff in New Zealand. Its network, wholesale, and retail business units are operationally separate and operate at arm's length from one another. Telecom also provides trans-Tasman business solutions through its IT business Gen-i, and owns AAPT – the third-largest land-line telecommunications provider in Australia.

Telecom has been investing increasing amounts in its New Zealand operations and its capital expenditure for 2008/09 was \$1.3 billion. On average, Telecom is spending \$3 million a day on its infrastructure, including investments in faster broadband technology by rolling out a fibre-to-the-node (FTTN) network nationwide to 84 percent of New Zealanders.

Telecom's network was one of the earliest in the world to be digitised. It is now moving to a next-generation Internet protocol-based network. The new network will eventually deliver voice, video, and data services over one connection. About 24,000km of fibre-optic cable forms a central part of Telecom's network.

At 30 September 2009, Telecom had more than 2 million mobile connections on its existing CDMA mobile and its new XT mobile network, 1.4 million fixed-line residential customers, and 835,000 broadband customers.

TelstraClear Ltd is a voice and data company providing products and services to the business, government, wholesale, and residential sectors. TelstraClear has a customer base of around 400,000, made up of residential users around New Zealand, and business clients in every major central business district and more than 30 regional centres. TelstraClear Ltd is wholly owned by Telstra Corporation Ltd, Australia's largest telecommunications company.

Vodafone New Zealand is New Zealand's second-largest telecommunications company by market share.

Since the Vodafone Group acquired its New Zealand business in November 1998, Vodafone has grown to become New Zealand's leading mobile provider, with over 2.5 million customers and 52 percent market share of mobile connections. Vodafone brought competition to the mobile

Image removed due to copyright issues

The New Zealand Herald

A man checks his mobile phone at the Big Day Out, in Auckland in 2009. The mobile phone company 2degrees, which launched in 2009, announced in February 2010 that it had 206,000 customers on its network. This took the number of mobile phone accounts in New Zealand to just over five million. In June 2009, New Zealand's population stood at 4.32 million.

market and introduced products and services for business and consumers that included prepay, TXT and PXT messaging, voice and data roaming, caller ID, wireless Internet, and Vodafone live!

Since the launch of Vodafone’s 3G network in August 2005, customers have been able to access 3G-enabled products and services that include video calling, mobile television, and full music track downloads. By May 2009, 3G broadband coverage covered 97 percent of where New Zealanders work, live, and play.

Vodafone moved into providing fixed-line services by acquiring the Internet service provider ihug in October 2006. Since this acquisition, Vodafone has invested significantly in ‘unbundling’ exchanges in Auckland, enabling it to deliver a faster and richer Internet service to its customers. Vodafone’s fixed-line customer base grew significantly over the three years to December 2009.

Vodafone has invested more than \$2.5 billion in New Zealand since 1998 and employs around 1,400 people throughout the country.

2degrees is New Zealand’s newest mobile phone company, offering prepaid services only. 2degrees launched on 5 August 2009, offering rates significantly lower than its competitors in the prepaid mobile market, and after six months of operation it had 206,000 customers. The company invested \$250 million in building network capacity in Auckland, Wellington, Christchurch, and Queenstown. In areas where it doesn’t have coverage, phones roam on the Vodafone network, through a nationwide roaming agreement. The 2degrees network works with GSM mobile phones that are compatible with Vodafone and 2G handsets from Telecom’s XT mobile network. The company has three major shareholders: Trilogi International Partners, Hautaki Trust, and Communication Venture Partners.

TUANZ, the Telecommunications Users Association of New Zealand Inc, recognises the value of effective and efficient use of information technology in business, and is committed to leading the innovative use of connectivity in New Zealand. TUANZ’s purpose is to lead informed and sophisticated use of technology-based communications by New Zealand businesses.

Table 11.01

Hours of local content on network television ^(a)							
Year	TV ONE	TV2	TV3	Prime	Māori TV	C4	Total
2000	3,544	1,158	1,484	...	...	...	6,186
2001	3,587	1,298	1,305	...	...	...	6,190
2002	4,003	1,758	1,439	...	...	...	7,200
2003	3,586	1,742	1,347	...	...	...	6,675
2004	3,401	1,603	1,420	...	...	...	6,424
2005	3,551	1,523	1,381	571	...	...	7,025
2006	3,492	1,270	1,300	863	2,323	1,008	10,256
2007	3,762	1,168	1,585	760	2,477	1,031	10,783
2008	3,954	1,110	1,976	817	2,608	1,136	11,601
2009	3,812	1,129	2,114	846	2,544	975	11,420

(a) From 2004, local content on television is measured on an 18-hour clock (6am to midnight) basis. Prior to this, a 24-hour clock was used.

Symbol ... not applicable

Source: NZ On Air

Television broadcasting

Television New Zealand (TVNZ) is a Crown entity company under the Crown Entities Act 2004. TVNZ is New Zealand’s largest free-to-air national broadcaster.

TVNZ operates five channels, TV ONE and TV2, and another three digital-only channels, TVNZ 6 and TVNZ 7, which broadcast through the Freeview platform, and Heartland, on SKY, which launched in June 2010. TVNZ also runs an online ‘catch-up TV’ service called TVNZ ondemand and has a significant web presence (www.tvnz.co.nz).

With the Seven Media Group from Australia TVNZ is a shareholder in Hybrid TV, the exclusive licensee for TiVo in Australasia. (TiVo’s media device allows viewers to receive all free-to-air digital TV channels, as well as broadband content, services, and games.)

About 90 percent of TVNZ’s revenue is gained through commercial activity, such as advertising, licensing and merchandising, and hiring out production resources.

Approximately 10 percent of its revenue comes from government sources, for the at-cost purchase of public services such as broadcasting programmes into the Pacific region and transmitting signals to remote parts of New Zealand.

As a Crown entity incorporated under the Companies Act 1993, TVNZ has a board of directors appointed by the company’s shareholding ministers – the Minister of Broadcasting and the Minister of Finance. Day-to-day management of the company is delegated to the chief executive. TVNZ’s editorial independence is enshrined in legislation (Television New Zealand Act 2003) and freedom from political influence is a fundamental principle.

50 years of television

Image removed due to copyright issues

1/2-036737-F Alexander Turnbull Library

In the early days of television in New Zealand, this was the kind of set viewers watched. In 1966 (when television sets were added to the consumers price index), the average price of a 23-inch black and white ‘consolette’ was about £131. Adjusting for inflation, that’s around \$4,500 in today’s terms.

New Zealand’s first television broadcast took place on 1 June 1960, though it only lasted three hours and you had to be in Auckland to see it – if you lived in Dunedin you had to wait a further two years. Television took a while to arrive in New Zealand; Britain had been broadcasting since 1936 and the United States since 1939.

Programmes popular with New Zealand audiences in the early 60s included *Lassie*, *I Love Lucy*, *Danger Man*, and *Perry Mason*. Richard Chamberlain became a sex symbol playing *Dr Kildare* while *The Flintstones* lampooned modern life in a ground-breaking cartoon that appealed to adults as much as children. New Zealand-made programmes included a cooking show featuring ‘galloping gourmet’ Graham Kerr.

The four early New Zealand television broadcasters – AKTV2, CHTV3, WNTV1, and DNTV4 – operated separately. Once programmes had been broadcast at one station, they were physically sent on to the next. Television advertising was introduced in 1963, but only on three nights of the week – it wasn’t until 1979 that ads could be screened on Sundays or public holidays. Broadcasts were limited to evenings only on weekdays, but were extended to 2pm starts from 1967. That year also marked the first season of the hip Kiwi pop show *C’mon*.

In 1969, limited networking was introduced with live news broadcasts. It was 1973 before the whole country was fully networked. Colour television arrived that year as well, in time for the 1974 Christchurch Commonwealth Games.

A second channel, TV2, was introduced in 1975, run independently from TV ONE. New Zealand’s first privately owned channel, TV3, began broadcasting in 1989, ending the state monopoly. Pay television entered the market with SKY TV shortly afterwards in Auckland, and became available throughout the country in 1996. Free-to-air digital television (on Freeview) was introduced in 2007, and was available in high definition the following year. The analogue signal is expected to be switched off between 2013 and 2015.

Source: National Library of New Zealand

More channels broadcast New Zealand content

NZ On Air measures New Zealand programmes screened on television. Its annual *Local Content Report* has been tracking the hours of New Zealand-made programming broadcast free-to-air since 1990.

TV ONE and Māori Television recorded the most local content in 2009; Prime and C4 the least. Three channels increased their local-content hours slightly – TV2, TV3, and Prime; the others showed a slight decrease.

In 2009, 11,420 hours of New Zealand-made television programmes screened on the country's six free-to-air channels. This figure was down 1.6 percent from 2008 – the first decrease since 2004.

The number of hours of first-run local content was also down, at 8,498 hours, a decrease of 5.0 percent from 2008. This was mainly due to a reduction in the entertainment, information, and sports genres (the Olympic Games in 2008 boosted sports hours that year). However children's programmes, documentary, Māori programmes, and news/current affairs had increased hours in the same period.

- Total local content on the six free-to-air channels was 33.7 percent.
- TV ONE screened the most local content at 3,812 hours. Māori Television was second, with 2,544 hours.
- TV ONE screened the most first-run or new local-content programming, with 3,232 hours. TV3 screened 1,926 hours, followed by Māori Television with 1,062 hours.
- Māori Television screened the most local content in prime time (6pm – 10pm).

The full report is available on NZ On Air's website (www.nzonair.govt.nz).

Source: NZ On Air

TVNZ earned \$333.2 million in operating revenue in 2008/09, mostly from advertising (\$298.4 million) and commercial production funding (\$5.5 million). Revenue from satellite sublease was \$0.4 million. The remainder (\$28.9 million) came primarily from government sources, including New Zealand On Air and Te Māngai Pāho.

MediaWorks TV operates channels TV3 and C4, as well as TV3+1 and C42 on the Freeview platform. MediaWorks TV is part of MediaWorks NZ Ltd, a private-sector broadcast and online media company.

TV3 is a free-to-air television station that primarily targets viewers aged 18–49. The channel has a strong emphasis on news, current affairs, and quality local and international entertainment programming.

C4 targets 15–39-year-olds, and has enjoyed strong audience growth in recent years.

TV3 began operating and was floated in 1989, when New Zealand's broadcast industry was deregulated. After a shaky start, it was placed in receivership in 1990, and de-listed in 1991. When the Government relaxed restrictions on foreign ownership in December 1991, the Canadian broadcaster CanWest Global Group bought 20 percent of the station. CanWest gradually bought more of TV3, until it gained 100 percent ownership in November 1997.

In June 2007, Ironbridge Capital, an Australasian private equity group, purchased CanWest's controlling 69.99 percent share in MediaWorks. It later acquired the remaining share, becoming MediaWorks NZ.

Māori Television is New Zealand's national indigenous broadcaster. A statutory corporation, Māori Television launched in March 2004. It is available free-to-air on UHF and the Freeview platform, and is also available on SKY and Saturn TV. A second channel, Te Reo, which broadcasts solely in Māori, was launched in March 2008 and is available free-to-air on Freeview satellite and also on SKY. A bilingual media website (www.maoritelevision.com) has up to 300 hours of programming available for on-demand viewing. Both channels are funded by the Government to acknowledge its commitment to promote and protect Māori language and culture.

Prime Television (Prime) is a free-to-air terrestrial broadcaster, owned by SKY since 2006. Prime started broadcasting in 1998, having acquired 34 UHF licences covering all major cities and towns in New Zealand the previous year. The channel is available via four broadcast platforms – analogue terrestrial with 91.3 percent coverage, SKY digital with 100 percent coverage, Freeview terrestrial with 75.0 percent coverage, and Freeview satellite with 100 percent coverage.

SKY Television Ltd (SKY) is primarily a pay television company. It began broadcasting in May 1990 using scrambled UHF channels. At 30 June 2009, SKY had 778,902 subscribers. In December 1998, SKY launched its digital direct broadcast satellite service, which has 100 percent coverage.

SKY broadcasts more than 110 entertainment channels on its digital satellite platform. Its UHF terrestrial platform was shut down in March 2010. SKY owns and operates 14 of its channels, including SKY sports channels, the BOX, vibe, MGM, and the SKY movie channels. SKY began broadcasting in high definition in 2008, with the launch of HDTV and MY SKY HDi.

Image removed due to copyright issues

Herald on Sunday

Hosts Pio Terei (left) and Stacey Morrison, with contestant Richard Turner, during the filming of Māori Television's It's In The Bag, in Dargaville in April 2010. The popular game show, originally hosted by Selwyn Toogood, started off on radio in the 1950s, before moving to television in the 1970s. The programme was discontinued in 1990 but was revived by Māori Television in 2009.

Trackside broadcasts live racing, race results, and programmes about racing on a nationwide basis, using UHF and satellite frequencies. It is owned by the New Zealand Racing Board.

Non-commercial television licences are those the Government has reserved on UHF frequencies nationwide for providing non-commercial television services. Since 1998, the Ministry of Economic Development has offered licences for non-commercial use to broadcasters, on the recommendation of the Ministry for Culture and Heritage.

Regional and local television services are small-scale services that operate throughout New Zealand. They provide schedules with diverse programmes, including music television, mixed local and international news, and entertainment. Other services offer information about local events and attractions, targeted primarily at tourists. Public funding is available for regional television through NZ On Air.

Local television services operating in 2009 were: Te Hiku TV (Kaitiaki), Channel North (Whangarei), Family TV (Rodney), Triangle Television (Auckland), tvCentral (Waikato/Bay of Plenty), ITV Live (Rotorua), TV Rotorua (Rotorua), East Coast Television (Gisborne), TV Hawke's Bay (Hawke's Bay), Tararua Television (Tararua), Shine TV (Christchurch), CTV (Christchurch), 45 South TV (Oamaru), CH9 (Dunedin), and Cue TV (Invercargill).

Radio broadcasting

In 2009 the radio broadcasting sector consisted of: a public radio service (Radio New Zealand), two major private owners of radio networks, other private stations, a publicly funded Pacific radio service (Pacific Media Network), 11 non-profit community stations, six student radio stations, and a network of 21 iwi (tribal) radio stations.

Radio New Zealand Te Reo Irirangi o Aotearoa (RNZ), a Crown entity established by the Radio New Zealand Act 1995, is the country's public service radio broadcaster. The Act established the Radio New Zealand Charter, which sets out the company's broadcasting functions. RNZ receives annual funding of about \$30 million from NZ On Air to maintain and enhance its services. Funding for Radio New Zealand International, which broadcasts primarily to the Pacific region, is provided through the Ministry for Culture and Heritage.

RNZ operates three non-commercial radio networks (Radio New Zealand National, Radio New Zealand Concert, and the AM Network), a shortwave service (Radio New Zealand International), a news service (Radio New Zealand News and Current Affairs), and Radio New Zealand Sound Archives Ngā Taonga Kōrero.

Radio New Zealand National focuses primarily on news and information, with a mix of features, drama, and entertainment programmes. Broadcasting 24 hours a day, the network reaches most New Zealanders on the AM band, and on FM in all main metropolitan centres and in several provincial areas. It is also available digitally through SKY and Freeview.

Radio New Zealand Concert is RNZ's serious music network, broadcasting a programme of mainly classical music and spoken features about music 24 hours a day on the FM band. It is also available digitally through SKY and Freeview.

The AM Network broadcasts all sittings of Parliament from transmitters in Auckland, Napier, Wellington, Christchurch, and Dunedin. When not used for Parliament, the network is leased out.

Radio New Zealand International is the country's international shortwave service, providing news and information programmes to listeners in the Pacific area 24 hours a day. Its 100-kilowatt signal is beamed to the South Pacific, but can be heard by listeners as far away as Japan, North America, the Middle East, and Europe.

Radio New Zealand News and Current Affairs provides news coverage, current affairs, and specialist reporting for Radio New Zealand National and Radio New Zealand Concert. International news services, correspondents overseas, and reporters throughout New Zealand deliver news to listeners throughout the day.

Radio New Zealand Sound Archives is a subsidiary of Radio New Zealand. It gained archive status under section 90 of the Copyright Act in 1994, allowing material broadcast by any New Zealand network or station to be archived without breaching copyright. This enabled the archives to become a national collection, representing all broadcast radio providers in New Zealand, as well as preserving existing collections largely created during the era of state-owned radio.

The Radio New Zealand website carries live streaming, audio on demand, and podcast services, allowing programmes to be accessed worldwide (www.radionz.co.nz).

The Radio Network of New Zealand Ltd (TRN) owns 129 radio stations operating in 26 markets around New Zealand. TRN was formed following the sale of Radio New Zealand Commercial (a state-owned enterprise) by the Government in 1996. TRN is a wholly-owned subsidiary of Australian Radio Network (ARN). Shareholders in ARN are Clear Channel Communications (United States) and APN News & Media (Australia).

State of nation in sound

Sound Archives Ngā Taonga Kōrero is a wholly-owned subsidiary of Radio New Zealand and is funded by NZ On Air. It holds New Zealand's most significant collection of broadcast radio archives.

The collections amount to thousands of hours of radio broadcast recordings relating to all aspects of New Zealand's history, society, and bicultural heritage, dating from the early 1930s to the present day. These include recordings of peoples' memories dating much further back, for example to the eruption of Mt Tarawera in 1886.

With topics as diverse as ancient waiata (songs) and discussions of the current state of politics, Sound Archives selects and preserves both public and private radio broadcasts that capture the state of the nation in sound.

The archive is also a living entity. It continues to take in broadcasts that will reflect present-day trends, tastes, and values for future generations. About 1,200 hours of new recordings are archived each year, to capture the diversity of material broadcast by all networks and stations.

The collections, held in Christchurch and Auckland, are widely used by the general public, researchers, television and film makers, academics and educators, production companies, students, and musicians.

Copies of recordings are available from Sound Archives, subject to copyright restrictions. Charges are on a cost-recovery basis and licensing fees may be payable, depending on the intended use of the archival audio.

More information is on the Sound Archives website (www.soundarchives.co.nz).

Source: Sound Archives

Table 11.02

Current radio spectrum licences	
At 1 January 2010 ⁽¹⁾	
Licence service	Number
Aeronautical	618
Amateur	316
Broadcasting	2,592
Citizen band	35
Defence	1,062
Fixed	17,996
Land mobile	8,304
Maritime	827
Other	12
Private management right holder	7,869
Radiodetermination	115
Satellite	211
Total	39,957

(1) Current licences include those that begin during the year (up to 1 Jan 2011) and exclude those that expire during the year (before 1 Jan 2011).

Source: Ministry of Economic Development

Radio for all communities

Wellington Access Radio is a non-profit, grassroots community radio station that celebrates all things Wellington.

The station provides a platform for groups whose voices aren't usually heard on mainstream radio. They include ethnic, sexual, and religious minorities, children, youth, and the disabled. Access also broadcasts to groups with a particular interest in subjects such as world music, animal welfare, health information, and social justice.

Wellington Access Radio is the oldest community access radio station in New Zealand and has been on the air since April 1981. It broadcasts more than 120 different programmes in over 25 different languages. The frequency is available from Taupō to Blenheim, and listeners out of their reception area can hear the programmes online – streamed and as podcasts.

Because Access doesn't operate on a commercial basis, its priorities are very different to most radio stations. It measures success not by audience size alone, but by the quality and diversity of its audience. Despite that, the statistics are not to be sneezed at – in 2009 the station had more than 140,000 active podcast downloads and live streams.

The station is funded by New Zealand on Air and by small broadcasting and membership fees. It also regularly applies for grants through funding bodies.

There are 11 access stations throughout New Zealand, from Auckland to Invercargill, and all belong to the Association of Community Access Broadcasters (ACAB). ACAB is a lobbying body that provides a resource for stations and links potential broadcasters to the stations in their area.

More information is on the station's website (www.accessradio.org.nz).

Source: Wellington Access Radio

Image removed due to copyright issues

The Press

John Downey (right), the founder of the Christchurch station Radio Redwood, pictured with breakfast DJ Gary McIlroy in their small home-based studio. New community radio stations have been springing up all over Canterbury, filling a void left by commercial broadcasters who have axed local programming.

TRN's programme brands are Classic Hits (26 stations), Newstalk ZB (25 stations), Radio Sport (19 stations), ZM (18 stations), Radio Hauraki (16 stations), Coast (13 stations), Easy Mix (5 stations), Flava (5 stations), and Hokonui Gold (1 station). TRN stations reach 1.45 million listeners aged 10 and over every week. TRN is a joint-venture partner in The Radio Bureau, which represents nearly all of the radio industry to advertising agencies and their clients.

Non-commercial radio broadcasting operates using AM and FM radio frequencies throughout New Zealand, reserved by the Crown for use by non-commercial broadcasters. Broadcasters can access reserved spectrum for non-profit, community purposes. In 2008/09 NZ On Air allocated \$2.56 million to 14 Access, Pacific island, and special interest radio stations.

Radiocommunications

The radio spectrum is managed by the Ministry of Economic Development. Using this resource efficiently to support telecommunications and broadcasting services is essential to the functioning of a modern economy.

The main legislative vehicle for managing the radio spectrum in New Zealand is the Radiocommunications Act 1989. The Act allows a market-based system of spectrum management, in which spectrum access rights are available for up to 20 years and can be traded. Some classes of licences are under an administrative licensing regime.

Licences cover frequencies that are suitable for television, AM and FM radio broadcasting, mobile telephony (including 3G), and wireless broadband telecommunications. Once spectrum rights are sold by the Crown, the purchaser has the right (subject to conditions such as acquisition caps, conditions of ownership, or use-or-lose provisions) to resell and transfer them to other parties.

Newspapers and magazines

New Zealand has a high number of daily newspapers relative to its population. There are 23 daily newspapers, with 15 of these being afternoon papers published in provincial towns and cities. According to figures released by the Audit Bureau of Circulations, the Auckland-based *The New Zealand Herald* had the largest audited net circulation of a daily newspaper in 2009, with a circulation of 174,338. The biggest provincial paper in 2009 was Hamilton's *Waikato Times*, with an audited net circulation of 41,219. Other daily newspapers have circulations ranging from about 2,000 to slightly more than 90,000.

The majority of daily newspapers are owned by two major publishing groups, Fairfax Media Ltd and APN. Between them, these groups account for just over 90 percent of New Zealand's aggregate daily newspaper circulation of about 484,000. The largest independent newspaper is the *Otago Daily Times*.

At 31 December 2009, there were three Sunday newspapers – the *Sunday Star Times* and *Sunday News*, both published by Fairfax Media, and the *Herald on Sunday*, published by APN. They have

a collective circulation of about 340,000. The *Sunday Star Times* had the largest audited net circulation of a Sunday newspaper, with a circulation of 171,254 in 2009.

Daily and Sunday newspapers are widely read. Nearly 1.6 million New Zealanders aged 15 years and over read a newspaper every day.

There are also approximately 120 community newspapers in New Zealand, the majority of which are tabloid in format. Many of these are owned by the two big newspaper publishing groups, or by publishers of other newspapers outside the groups. Some are owned by individuals or small companies. Around 3,800 magazines are available on a regular basis in New Zealand, 600 of which are published in New Zealand.

New Zealand Press Association (NZPA) Through international agreements with Reuters, Australian Associated Press, and other news organisations, the cooperatively owned NZPA provides an international and domestic news service to all daily and Sunday newspapers. The NZPA newswire is available for sale to broadcast and electronic media as well.

New Zealand Press Council This self-regulatory body was founded in 1972 as an independent forum for resolving complaints against the press. Its constituent members are the Newspaper Publishers Association (NPA) and the New Zealand Engineering, Printing and Manufacturing Union (EPMU). The council consists of an independent chairman, five members representing the public, and five representing the industry. Two of the five industry representatives are nominated by the NPA, two are nominated by the EPMU, and one by magazine publishers. A panel that includes the chief ombudsman appoints public members. The council is funded entirely by the industry.

The New Zealand Press Council's principal objectives are to:

- consider complaints against the editorial content of newspapers, magazines, and other publications
- promote freedom of speech and freedom of the press in New Zealand
- maintain the New Zealand press in accordance with the highest professional standards.

The council has a statement of principles, which are a guide to ethical journalism.

Complainants are first required to complain in writing to the editor of the publication concerned. This provides the editor with the opportunity to right a possible wrong. If complainants are still not satisfied, they can then approach the council. There is no charge for the council's service.

Table 11.03

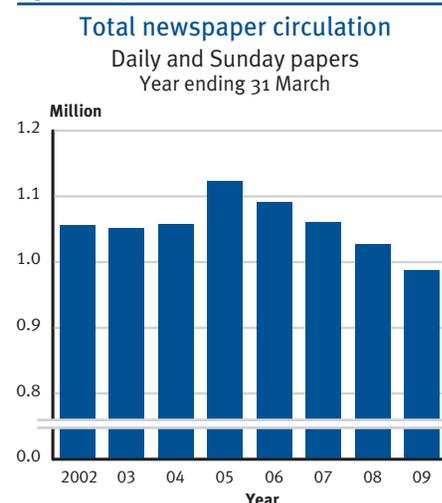
Paper (date founded)	Newspaper circulation				
	At 30 June ⁽¹⁾				
	2005	2006	2007	2008	2009
Dailies					
The New Zealand Herald – Auckland (1863)	204,549	200,309	195,681	187,129	174,338
The Dominion Post ⁽²⁾ – Wellington (2002)	98,232	98,251	98,326	94,598	91,500
The Press – Christchurch (1869)	92,458	92,465	90,030	87,221	85,071
Otago Daily Times – Dunedin (1861)	44,928	43,246	43,469	41,711	41,239
Waikato Times – Hamilton (1872)	41,017	41,083	41,430	41,209	41,219
Hawke's Bay Today – Hastings (1998)	30,073	28,037	26,946	26,226	25,537
The Southland Times – Invercargill (1862)	29,567	29,571	29,059	29,000	29,002
Taranaki Daily News – New Plymouth (1857)	26,754	26,506	26,522	26,060	25,020
Bay of Plenty Times – Tauranga (1872)	23,919	24,038	23,179	22,674	21,678
Manawatu Standard – Palmerston North (1880)	20,576	20,578	20,165	19,087	18,028
The Nelson Mail (1866)	18,437	18,445	17,497	17,206	16,925
The Northern Advocate – Whangarei (1877)	14,890	14,987	15,012	14,515	13,948
The Timaru Herald (1864)	14,335	14,114	14,120	14,126	14,038
Wanganui Chronicle (1856)	12,652	12,486	12,532	12,023	11,690
The Daily Post – Rotorua (1885)	12,063	12,056	11,796	10,817	10,412
The Marlborough Express – Blenheim (1866)	10,362	10,371	10,381	10,030	10,012
The Gisborne Herald (1874)	8,631	8,586	8,667	8,570	8,380
Wairarapa Times-Age – Masterton (1878)	7,664	7,698	7,276	7,302	7,111
Ashburton Guardian (1879)	5,460	5,529	5,670	5,619	5,430
The Greymouth Evening Star (1866)	4,289	..	4,883	..	4,258
Daily Chronicle ⁽³⁾ – Levin (1893)	2,868	..	2,661	2,701	..
The Oamaru Mail (1876)	3,561	3,517	3,446	3,247	3,066
The Westport News (1872)	no audit	no audit	1,998	1,878	no audit
Sundays					
Herald on Sunday	101,355	93,193	91,521	93,665	92,315
Sunday News	101,279	95,546	90,857	87,171	75,963
Sunday Star Times	203,647	200,991	181,127	176,020	171,254

(1) Before 2008, audit period ended 31 March. (2) Formed by the integration of *The Evening Post* (1865) and *The Dominion* (1907). (3) Formerly *The Horowhenua-Kapiti Chronicle* – Levin. Not published after 2008.

Symbols: .. figure not available ... not applicable

Source: Audit Bureau of Circulations

Figure 11.03



Source: Audit Bureau of Circulations

Broadcasting to the Pacific and the world

Radio New Zealand International (RNZI) broadcasts on digital and analogue short-wave to radio stations and individual listeners across the Pacific region. Eighteen Pacific stations currently re-broadcast RNZI news bulletins and programmes daily.

RNZI's transmission station is on the Rangitāiki Plains, in the middle of the North Island.

As well as being heard throughout the Pacific, RNZI's 24-hour broadcasts can also, at times, be heard in North America, Europe, Asia, and the Middle East.

The RNZI service, which is run by Radio New Zealand, is funded through the Ministry for Culture and Heritage. The service has 13 full-time staff in Wellington and draws on 20 correspondents in 13 Pacific countries.

RNZI also provides daily programmes for Radio Australia and for the World Radio Network, which broadcasts across Europe, North America, Asia, and Africa.

The station broadcasts English-language bulletins of Pacific, world, New Zealand, business, and sports news every day. Bulletins of Pacific/New Zealand news are also broadcast in Samoan, Tongan, Niuean, and Solomon Island Pijin once a day.

Current affairs programmes cover Pacific politics, business and economic issues, social issues, and entertainment.

RNZI re-broadcasts Radio New Zealand National – part of New Zealand's nationwide public broadcasting network – for several hours each day to listeners in the Pacific. In return, RNZI supplies Radio New Zealand National with Pacific news and programmes.

More information is on the Radio New Zealand International website (www.rnzi.com).

Source: Radio New Zealand International

Table 11.04

Magazine circulation					
At 31 December 2009 ⁽¹⁾					
Publication	2005	2006	2007	2008	2009
SkyWatch (monthly)	455,411	492,408	504,882	516,010	532,779
AA Directions (quarterly)	548,327	546,968	546,407	537,381	528,431
Family Times (quarterly) ⁽²⁾	1,805,962	199,131	199,640	123,233	163,789
TV Guide (weekly)	203,456	195,072	189,215	180,636	160,175
New Zealand Woman's Day (weekly)	151,074	152,609	136,702	127,217	111,431
Straight Furrow (weekly)	84,741	84,801	87,288	87,043	84,690
Agtrader (monthly)	81,036	83,047	85,911	80,848	82,631
Rural News (fortnightly)	85,888	84,203	81,585	80,950	81,318
New Zealand Woman's Weekly (weekly)	102,542	98,847	98,738	91,005	80,445
Australian Woman's Weekly NZ (monthly)	93,698	85,014	83,834	78,298	80,022
Reader's Digest NZ (monthly)	88,267	93,934	95,872	96,070	79,400
New Zealand Listener (weekly)	73,034	71,508	63,902	66,713	62,532
Cuisine (alternate months)	71,030	64,103	64,761	63,540	54,778
Next (monthly)	70,606	63,747	58,052	58,920	53,286
New Idea (weekly)	61,484	65,440	62,315	56,474	50,168
New Zealand Gardener (monthly)	37,734	34,745	35,332	37,782	47,863
NZ House & Garden (monthly)	75,619	65,215	62,598	57,030	47,631
That's Life (weekly)	44,919	45,411	45,739	45,813	41,529
Your Home & Garden (monthly)	46,769	41,510	38,511	38,378	34,820
Little Treasures (alternate months)	45,581	40,190	34,208	34,014	30,063

(1) Before 2008, audit period ended 31 March (2) Family Times now appears as Auckland Family Times (66,708), Wellington Family Times (40,556), Christchurch Family Times (42,772), and Dunedin Family Times (13,753).

Source: Audit Bureau of Circulations

Table 11.05

New Zealand Press Council statistics				
Year ending 31 December				
	2005	2006	2007	2008
Decisions issued	41	32	40	43
Upheld	4	6	8	11
Upheld with dissent	0	1	1	0
Part upheld	4	2	2	2
Part upheld with dissent	0	2	1	0
Not upheld with dissent	0	0	3	1
Not upheld with dissent on casting vote of chairman	0	1	0	1
Not upheld	33	19	25	28
Declined	0	1	0	0
Not adjudicated	39	23	38	31
Mediated/resolved	3	0	1	3
Withdrawn	5	2	2	4
Withdrawn at late stage	1	1	2	1
Not followed through	11	6	13	3
Out of time	2	2	3	3
Not accepted	2	0	4	8
Outside jurisdiction	7	2	4	0
In action at end of year	8	10	9	9
Total complaints	80	55	78	74

Source: New Zealand Press Council

Table 11.06

Advertising expenditure in media⁽¹⁾

Year ending 31 December

Media	2004		2005		2006		2007		2008	
	Expenditure \$(million)	Share (percent)								
Newspapers	790	38.1	830	37.2	810	36.4	826	35.4	760	32.8
Television	643	31.0	666	29.9	641	28.8	654	28.0	647	27.9
Radio	247	11.9	256	11.5	269	12.1	274	11.7	268	11.6
Magazines	223	10.7	260	11.7	251	11.3	257	11.0	249	10.7
Unaddressed mail	59	2.8	56	2.5	64	2.9	65	2.8	61	2.6
Outdoor	51	2.5	72	3.2	79	3.6	78	3.3	74	3.2
Addressed mail	34	1.6	34	1.6	35	1.6	36	1.5	56	2.4
Interactive	15	0.7	44	2.0	65	2.9	135	5.8	193	8.3
Cinema	13	0.6	11	0.5	10	0.4	10	0.4	9	0.4
Total	2,075	100.0	2,229	100.0	2,224	100.0	2,335	100.0	2,317	100.0

(1) All cash advertising revenue, plus agency commission where applicable.

Note: Figures may not add to stated totals due to rounding.

Source: Advertising Standards Authority

Advertising

Approximately 1,600 people are directly employed in New Zealand-based communication agencies (media and creative), and 2,500 are employed in advertising-related services. Advertising revenue also contributes to the employment of another 10,000 people in the publishing, radio, and television industries. Mainstream media advertising in New Zealand for the year ending 31 December 2009 totalled just over \$2.0 billion.

The **Communication Agencies Association of New Zealand** (CAANZ) is an incorporated body representing the interests of members on issues affecting the advertising industry and agencies. CAANZ has 86 member agencies, which collectively represent 90 percent of agency billings in New Zealand, with an annual combined turnover of approximately \$1 billion. Most agencies are New Zealand-owned, with approximately 25 percent (mostly larger agencies) affiliated to multinationals by total or part ownership.

The **Association of New Zealand Advertisers** (ANZA) represents the interests of advertisers and has 100 members. ANZA administers two pre-placement vetting systems; one for liquor advertising and promotions, and another for therapeutic advertising.

The **Advertising Standards Authority** (ASA) manages a self-regulatory system for the advertising industry. The Advertising Standards Complaints Board and the Advertising Standards Complaints Appeal Board judge complaints about advertisements in all media and advise the ASA about code issues. Both boards have a public member majority. The authority's function is to make codes of practice public and develop policies on advertising standards. There are 13 different codes of practice, including a code of ethics. A new code covering naming, labelling, packaging, and promotion of alcohol took effect in 2010.

Postal services

The Postal Services Act 1998 permitted full competition in all areas of the postal services market. All mail must carry a mark to identify the postal operator that carried it.

Postal operators have the right to open mail in certain circumstances (eg, so it can be returned to the sender when an address is illegible). They also have the right to erect letterboxes.

To carry out a business involving conveying letters, a person or company must be registered as a postal operator with the Ministry of Economic Development. At March 2010, there were 28 registered postal operators, including New Zealand Post Ltd.

Table 11.07

	Mail delivery points					
	Year ending 30 June					
	2004	2005	2006	2007	2008	2009
Residential	1,258,302	1,319,017	1,330,303	1,335,999	1,351,494	1,364,825
Private box and bag	202,278	205,642	6,330	216,330	218,069	216,022
Rural delivery	191,363	200,673	206,299	208,892	215,242	220,898
Other	14,752	13,501	13,306	13,306	13,306	13,306
Total	1,724,965	1,853,606	1,845,029	1,842,275	1,869,575	1,886,713

Source: New Zealand Post

New Zealand Post Ltd

Under a deed of understanding with the government, New Zealand Post is required to meet certain social obligations, including maintaining a minimum number of delivery points and postal outlets, maintaining delivery on five or six days a week to 99.88 percent of delivery points, and providing other postal operators with access to its network on equally favourable terms.

New Zealand Post is designated as New Zealand's 'postal administration' to the Universal Postal Union and has the exclusive right to issue New Zealand stamps.

New Zealand Post is a state-owned enterprise that has been operating in a deregulated postal environment since 1998. The Postal Services Act 1998 removed New Zealand Post's monopoly on the standard letter, allowing full competition in postal services.

In June 2007, the price of a standard letter increased from 45 to 50 cents. The price of postage in New Zealand compares favourably with many overseas countries and, in real terms, the price of postage is significantly cheaper than before competition was introduced in 1998.

New Zealand Post's service delivery – the independent measure of mail delivered on time – was 94.3 percent for the year ending 30 June 2009, putting its service standards among the best in the world.

While it continues the tradition of carrying and delivering letters and parcels, New Zealand Post has responded to customers' growing communications needs by diversifying its business to

Table 11.08

Advertising expenditure in media ⁽ⁱ⁾	
By consumer sector	
Year ending 31 December 2009	
Section	Total \$(000)
Leisure and entertainment	361,091
Retail	313,946
Foodstuffs	286,475
Government departments, services, and community	197,782
Toiletries and cosmetics	156,405
Automotive	150,159
Investment, finance, and banking	116,776
Pharmaceuticals and health	115,398
Travel	114,405
Home improvements	100,953
Beverages	100,493
Household electrical products	89,700
Telecommunications	67,792
Household furnishings	66,052
Computers	61,480
Clothing	55,582
Insurance	44,421
Household cleaning products	39,780
Business services	36,141
Real estate	33,921
Total	2,508,750

(i) Based on ratecard rather than actual expenditure.

Source: Nielsen Media

include banking services (through Kiwibank), as well as letters and stamps, courier services, financial transactions, data processing and electronic billing, commerce, and messaging.

New Zealand Post reported a net profit of \$71.8 million after tax in the 2008/09 financial year, compared with \$110.2 million in 2007/08 and \$86.8 million in 2006/07. (The 2007/08 figure included a \$24.8 million gain relating to the partial divestment of New Zealand Post's Australian express businesses into the ParcelDirect Group joint venture.)

Table 11.09

Stamp issues		
1 January 2008 – 30 Nov 2009		
Date of issue	Issue name	Denomination
2008		
9 Jan	Underwater Reefs	50c, \$1.00, \$1.50, \$2.00, \$2.50
2 Feb	Fish and Game	\$10.00
7 Feb	Lunar: Year of the Rat	50c, \$1.00, \$1.50, \$2.00, \$2.50
5 Mar	Weather Extremes	50c x 2, \$1.00, \$1.50, \$2.00, \$2.50
2 Apr	ANZAC	50c x 2, \$1.00, \$1.50, \$2.00, \$2.50
2 May	Kingitanga	50c, \$1.50, \$2.00
7 May	Prince Caspian	50c, \$1.00, \$1.50, \$2.00
5 Jun	Matariki	50c x 2, \$1.00, \$1.50, \$2.00, \$2.50
2 Jul	Health	50c x 2, \$1.00
2 Jul	Olympics	50c x 2, \$1.00, \$2.00
6 Aug	A to Z of New Zealand	50c x 26
3 Sep	Centenary of North Island Main Trunk Line, Annual Collector Pack	50c, \$1.00, \$1.50, \$2.00, \$2.50
1 Oct	Christmas – Traditional and Design-a-stamp	50c x 3, \$1.00, \$1.50 x 2, \$2.00, \$2.50
5 Nov	2008 Ross Dependency	50c, \$1.00, \$1.50, \$2.00, \$2.50
5 Nov	Sir Edmund Hillary	50c, \$1.00, \$1.50, \$2.00, \$2.50
2009		
7 Jan	Lunar: Year of the Ox	50c, \$1.00, \$2.00
7 Jan	Lighthouses	50c, \$1.00, \$1.50, \$2.00, \$2.50
2 Feb	Fish and Game	\$10.00
4 Feb	New Zealand Champions of World Motorsport	50c x 2, \$1.00 x 2, \$1.50, \$2.00, \$2.50
4 Mar	Giants	50c, \$1.00, \$1.50, \$2.00, \$2.50
1 Apr	ANZAC	50c x 2, \$1.00, \$1.50, \$2.00, \$2.50
1 May	Auckland Harbour Bridge	50c x 2, \$1.00, \$1.50, \$2.00
24 Jun	Matariki	50c, \$1.00, \$1.50, \$1.80, \$2.00, \$2.30
1 Jul	Scenic definitives	30c, \$1.80 x 2, \$2.30, \$2.80, \$3.30, \$4.00
5 Aug	Tiki Tour of New Zealand	50c x 24
1 Sep	Niue stamps ⁽ⁱ⁾	10c, 20c, 30c, 50c, \$1.00, \$1.20, \$1.40, \$1.70, \$2.00, \$3.00, \$5.00
7 Sep	Health, Annual Collector Pack	50c x 2, \$1.00
7 Sep	KiwiStamp	10x non-denomination stamps
7 Oct	Christmas – Traditional and Design-a-stamp	50c x 3, \$1.00, \$1.80 x 2, \$2.30, \$2.80
25 Nov	2009 Ross Dependency	50c, \$1.00, \$1.80, \$2.30, \$2.80
25 Nov	Sir Peter Blake	50c, \$1.00, \$1.80, \$2.30, \$2.80

(i) During 2009 New Zealand Post signed an agreement to design, produce, and distribute Niuean stamps.

Source: New Zealand Post

Mail services

Domestic services FastPost or Standard Post can be used in New Zealand to send letters up to 20 millimetres thick and up to one kilogram in weight. FastPost's delivery target is the next working day between major towns and cities. Standard Post's targets are the next working day across town, and two to three working days across New Zealand.

ParcelPost Untracked is used to send parcels up to 1.5 kilograms with either FastPost or Standard Post. ParcelPost Tracked is used for parcels up to 25 kilograms, with delivery targets of the next working day for delivery across town, and two to three working days nationwide. Other services include PO Box Priority, BoxLink, registered post, business mail centres, digital postage meters, stamps, and postage-included envelopes.

Express Couriers Ltd is a 50-50 joint venture comprising the express and logistics units of New Zealand Post and the brands Pace, CourierPost, and Contract Logistics. In July 2007, Roadstar Transport was added, to provide palletised freight services.

New Zealand Post also provides bulk mail services (starting at 300 same-sized items), which include VolumePost, GoFlexible, and PrintPost.

New Zealand Post offers direct mail services through its targeted communications division. Reachmedia, New Zealand Post's 50-50 joint venture with Salmat Ltd, handles the delivery of unaddressed mail (circulars).

Overseas services New Zealand Post International operates several overseas mail and courier services. International Express is a premium-tracked courier service delivering to more than 220 destinations worldwide, with approximately one to three working days delivery to Australian main cities, and two to five working days delivery to the rest of the world. It includes built-in compensation cover and additional compensation options.

Year of the Tiger

Image removed due to copyright issues

New Zealand Post issued a series of four stamps to mark the Chinese Year of the Tiger, which runs from 15 February 2010 to 3 February 2011.

Source: New Zealand Post

Image removed due to copyright issues

Otago Daily Times

Dunedin postie Kerry Wheeler delivers mail in the city's North East Valley. New Zealand Post's service is among the best in the world, with 94.3 percent of its mail being delivered on time in the year to 30 June 2009.

International Economy Courier is a courier service to selected key destinations around the world. The delivery target is two to six working days and it includes built-in compensation cover and additional compensation cover options.

International Air offers airmail delivery in approximately three to 10 working days with built-in compensation cover and the option of additional cover for parcels. International Economy offers cost-effective delivery to anywhere in the world within approximately 10 to 25 working days.

Retail network New Zealand Post's retail network consisted of 326 PostShops (including franchises) at 30 June 2009, with postal services available at a further 627 Post Centres. There were also 1,663 stamp resellers. During the year, the retail network helped New Zealanders to send more than 910 million postal items, register more than 4.5 million vehicles, and carry out more than 26 million banking and payment transactions.

Table 11.10

Postal outlets					
Year ending 30 June					
Outlet	2005	2006	2007	2008	2009
PostShops (including franchises)	323	325	325	325	326
Post Centres	672	667	663	656	627
Stamp resellers	1,601	1,620	1,622	..	1,597
Total	2,596	2,612	2,610	..	2,550

Symbol: .. figure not available

Source: New Zealand Post

Stamp issues

New Zealand Post's stamps and collectables business normally produces around 11 commemorative stamp issues each year, with a small number of additional issues to honour significant anniversaries, individuals, or events. New Zealand Post's objective is to celebrate New Zealand's distinctive culture, heritage, people, and lifestyles. Table 11.09 lists stamps issued from 1 January 2008 to 30 November 2009.

A variety of products, including legal-tender commemorative coins issued on behalf of the Reserve Bank of New Zealand, can be bought at New Zealand Post outlets, the Wanganui Collectables and Solutions Centre, REAL Aotearoa stores in Auckland, Wellington, and Christchurch, and online (www.nzpost.co.nz/stamps).

Contributors and related websites

2degrees – www.2degrees.co.nz

Advertising Standards Authority – www.asa.co.nz

Association of New Zealand Advertisers – www.anza.co.nz

Broadcasting Standards Authority – www.bsa.govt.nz

Commerce Commission – www.comcom.govt.nz

Communication Agencies Association of New Zealand – www.caanz.co.nz

Department of Internal Affairs – www.dia.govt.nz

Freeview NZ – www.freeviewnz.tv

InternetNZ – www.internetnz.net.nz

Māori Television – www.maoritelevision.com

Mediaworks NZ – www.mediaworks.co.nz

Ministry for Culture and Heritage – www.mch.govt.nz

Ministry of Economic Development – www.med.govt.nz

New Zealand Audit Bureau of Circulations – www.abc.org.nz

New Zealand Post – www.nzpost.co.nz

New Zealand Press Council – www.presscouncil.org.nz

Nielsen Media Research – www.nielsenmedia.co.nz

NZ On Air – www.nzonair.govt.nz

Radio Network – www.radionetwork.co.nz

Radio New Zealand – www.radionz.co.nz

Radio New Zealand International – www.rnzi.com

SKY Network Television – www.skytv.co.nz

Sound Archives – www.soundarchives.co.nz

State Services Commission – www.ssc.govt.nz

Te Māngai Pāho – www.tmp.govt.nz

Telecom New Zealand – www.telecom.co.nz

Telecommunications Users' Association of New Zealand – www.tuanz.org.nz

Television New Zealand – www.tvnz.co.nz

TelstraClear – www.telstraclear.co.nz

Vodafone – www.vodafone.co.nz

Wellington Access Radio – www.accessradio.org.nz

Image removed due to copyright issues

The Dominion Post

Emma Gregory, from Vincents Art Workshop, with Tisa the giraffe at Wellington Zoo. The giraffe she is holding was made by Samantha Bell, one of the tutors at Vincents, a community-based social service that welcomes people with intellectual and other disabilities.

12 | Arts and cultural heritage

Successive governments have recognised the value of culture for individuals, communities, and the country as a whole, and – as in most developed countries – this has been reflected in an ongoing investment in culture. A small and increasingly diverse population makes this government assistance necessary if all New Zealanders are to have access to meaningful cultural experiences.

The Ministry of Culture and Heritage's report *Cultural Indicators for New Zealand (2009)* revealed that almost three-quarters of those surveyed think that culture and cultural activities are very, extremely, or critically important to the country's sense of national identity. Culture is placed alongside other contributing factors such as innovation, science, and technology – and surprisingly, above sport and the economy. This is a substantial shift from earlier reports.

The development of creative talent and cultural industries also enhances economic growth. Worldwide, the creative, cultural, and heritage sectors are key growth industries for the 21st century, and New Zealand is following this trend. Between 1996 and 2006, the number of people in paid cultural employment in New Zealand rose 41 percent, compared with a 22 percent growth in total employment over the same period. In 2007, the value added by the creative industries to gross domestic product was \$3.2 billion, a 2.4 percent increase from 2005. The creative industries contributed 2.1 percent of total industry value in 2007.

Taonga tuku iho

Ngā taonga tuku iho nō ngā tupuna, or the treasures handed down by our ancestors, make New Zealand's cultural heritage unique, and successive governments have made special provision to support them.

This is done through a number of agencies, including the Museum of New Zealand Te Papa Tongarewa, which actively promotes the significance of Māori cultural heritage through its collections and programmes.

The Māori Heritage Council (part of the New Zealand Historic Places Trust) registers wāhi tapu (sacred places), provides assistance to whānau (families), hapū (subtribes), and iwi (tribes) to preserve heritage resources, and makes recommendations on archaeological sites. Creative New Zealand (the Arts Council of New Zealand Toi Aotearoa), which has a statutory responsibility to recognise in the arts the role of Māori as tangata whenua ('people of the land') has a separate Māori arts board.

Supporting New Zealand museums

New Zealanders are passionate about history and heritage, so it's no surprise the country has hundreds of museums, galleries, and whare taonga (treasure houses).

National Services Te Paerangi (NSTP), a unit within Te Papa, provides advice and support to these organisations.

The experienced team of eight has programmes and services that target museum work. These include governance, management and planning, care of collections and taonga, public programmes, relationships with communities, and customer service.

To ensure all cultural organisations, both professional and volunteer-driven, have opportunities for professional development, NSTP offers training workshops, internships for recent graduates in museum studies, secondments that put skilled people from larger museums and galleries into smaller, less well-resourced ones, and professional placements that emphasise sharing expertise.

In 2009/10, NSTP ran workshops with an American exhibition designer, and others on conserving large metal objects that are displayed outdoors.

NSTP also manages the New Zealand Museums Standards Scheme, a review programme that shows museums where they are doing well and identifies areas for improvement. All museums, large and small, are encouraged to participate.

NSTP's *He Rauemi Resource Guides* are practical and user-friendly – every museum receives them, along with access to online resources that include policy templates, useful resource links, video and audio of past events, and workshop and conference presentations.

NSTP's three development officers spend their time on the road helping museums, galleries, and iwi access the information and services they need, and providing face-to-face advice.

A free phone line (0508 678 743) allows callers from all over New Zealand to connect with the team at no charge. With over 500 staff at Te Papa, there is almost no question that can't be answered!

The NZMuseums website (www.nzmuseums.co.nz) offers museums and galleries in New Zealand the opportunity to have an online profile and show collection items to the world.

The site is also a great place to learn what's happening in museums, through the events, blog, and news pages. Over 3,000 collection items are already online, and the number is growing.

Source: Museum of New Zealand

Image removed due to copyright issues

The Dominion Post

Repatriated Māori remains and tattooed heads, returned from collections in the United Kingdom and Europe, are carried on to the marae at Te Papa, at a pōwhiri (welcome ceremony) in 2009. Te Papa is carrying out a formal repatriation programme of kōiwi tangata Māori and koimi Moriori (Māori and Moriori ancestral remains) to New Zealand and to their hapū/iwi communities of origin.

The Māori Language Commission Te Taura Whiri i te Reo Māori promotes the use of Māori as a living language and encourages Māori-English bilingualism as a valued part of New Zealand culture.

Te Māngai Pāho provides broadcasting funding to produce Māori language television programmes, Māori music, and the national network of Māori radio stations. Māori Television provides a high-quality bilingual broadcasting service. The first 100-percent-Māori television channel, Te Reo, was launched in March 2008.

The government also supports Te Matatini Society Inc, which focuses on Māori performance arts, including national kapa haka competitions, the South Pacific Arts Festival, and the two-yearly Te Matatini National Festival.

The Ministry for Culture and Heritage administers the Protected Objects Act 1975. This legislation regulates the export of protected New Zealand objects, including taonga (treasures), and provides protection for taonga tūturu (taonga more than 50 years old), through regulating and recording their discovery, trade, and ownership.

The Māori Arts and Crafts Institute, based at Te Puia (Rotorua), trains students in traditional skills, such as carving and weaving, and promotes Māori culture.

Further support for taonga tuku iho comes from the Lottery Grants Board, which allocates profits to community enterprises, including restoration of marae.

Heritage

Museum of New Zealand

The Museum of New Zealand Te Papa Tongarewa (Te Papa) is New Zealand's national museum. Since opening on the Wellington waterfront in February 1998, it has established a national and international reputation as New Zealand's 'must-see' visitor attraction. By May 2010, more than 17 million visits had been made to Te Papa.

Te Papa's founding concept was developed through an extensive national consultative process and was adopted by the Government in 1990. It introduced: unified collections, the narratives of culture and place, the idea of forum, the bicultural partnership between tangata whenua ('people of the land') and tangata tiriti ('people of the treaty'), and a multidisciplinary approach to delivering a national museum for diverse audiences.

Its mission, to be a forum for the nation to explore and preserve its unique cultural and natural heritage, is underpinned by the principles of the bicultural partnership; being a waharoa (entry) to exploring and reflecting on cultural identity; acknowledging and recognising the role of communities in the care, management, and understanding of taonga (treasures) and collections; speaking with authority; being committed to providing excellent services; and being commercially positive.

The museum contains 19 major long-term exhibitions, and features innovative and exciting exhibitions that draw on the richness of its collections and bring the best of the rest of the world to New Zealand.

Permanent exhibitions include Bush City, an outdoor space that recreates distinctive aspects of the New Zealand landform and its associated plant life, and Toi Te Papa Art of the Nation, a celebration of New Zealand's rich and diverse artistic heritage, featuring more than 300 artworks from Te Papa's collection.

Te Papa is the only museum in the world with its own living, functioning marae, Rongomaraeroa, Te Marae o Te Papa Tongarewa.

Central to Te Papa's existence are its collections, spanning five main areas: art, natural history, New Zealand history and heritage, Pacific, and taonga Māori. Te Papa has particularly rich collections of New Zealand plants and animals, taonga Māori, and Pacific treasures.

As the national museum, Te Papa operates services for audiences and communities outside its premises. These include National Services Te Paerangi, through which Te Papa works with other museums, iwi (tribes), and related organisations on projects to build capacity and sustain the services they provide in their local communities.

Other services include Te Papa Press, touring exhibitions, a collections loans service, a programme of iwi partnership projects, and the Te Papa website.

Te Papa's presence has changed tourist visitor patterns to Wellington. Of 1.56 million visits to Te Papa in the 2008/09 year, more than 30 percent of domestic visitors were from outside Wellington city and 46 percent of visitors were from overseas. The ethnic pattern of Te Papa's New Zealand visitors is similar to that of the total population.

Te Papa's funding is from central government (55 percent), local government (5 percent), and self-generated funding from sponsors and commercial enterprises (40 percent).

Art galleries and museums

There are more than 450 museums and art galleries in New Zealand. They range from small volunteer-run museums to larger institutions employing highly specialised staff.

Art galleries and museums create exhibitions and public programmes to provide the public with access to their knowledge and collections. They also conduct research within their collecting areas and produce publications and educational resources. Many are working on digitisation programmes aimed at making their collections more accessible to the wider public.

Many art galleries and museums are partly funded by local government. Additional funding towards capital works may be provided by the Ministry for Culture and Heritage under the Regional Museums Policy for Capital Construction Projects, and by the Lottery Grants Board, community trusts, electricity trusts, or other charitable funding bodies.

Image removed due to copyright issues

A generous gift

In one of the most generous philanthropic acts in New Zealand history, the Auckland Art Gallery is to receive 15 works of art by some of the most important painters of the modern era.

The paintings are currently owned by New York art collectors and philanthropists Julian and Josie Robertson and include works by Cézanne, Gauguin, Picasso, Matisse, Mondrian, Dalí, Braque, Derain, Léger, Bonnard, and Fantin-Latour. It is the largest gift ever made to an art museum in Australasia.

Julian Robertson was a dominant figure in the United States financial market, co-founding what was to become the world's largest hedge fund, Tiger Management, in 1980. The family owns two world-class golf resorts, Kauri Cliffs in Northland and Cape Kidnappers in the Hawke's Bay, as well as the Te Awa and Dry River wineries.

Auckland Art Gallery director Chris Saines said that the gifted collection represents many of the major artists who attended the birth of modernism, their works illustrating the history of European art at one of its most crucial turning points. He said that the effect of the gift will transform Auckland's ability to tell the story of modern art.

The gallery has been undergoing a \$113 million refurbishment and expansion project, which will more than double the amount of public space in the building. In recognition of this bequest, a suite of rooms in the building's historic Kitchener wing will be named the Julian and Josie Robertson Galleries.

The collection will remain with the Robertsons for the duration of their lifetimes, although they hope to bring all 15 works to Auckland for a month to coincide with the gallery's reopening in April 2011.

Source: Auckland Art Gallery; The New Zealand Herald

Otago Daily Times

Wellington-based artist Michel Tuffery, and others, fling model aeroplanes into the air. The models were part of his kinetic art installation at Wanaka's Festival of Colour in 2009.

Art as therapy

Wellington-based Vincents Art Workshop was set up 25 years ago, during a time when patients in psychiatric hospitals were being de-institutionalised.

It is a community-based initiative providing access to arts and craft facilities, tuition, and materials within a supportive environment.

Anyone can attend Vincents, but the workshop particularly welcomes people with disabilities, those moving into the community from institutions, and people who are unemployed or on low incomes. This inclusive model encourages and celebrates diversity. On average, around 35 people use the studios every day.

Vincents promotes both the process of making art to help resolve the internal conflicts a person may be experiencing, and giving them greater self-esteem and a sense of empowerment. It follows a holistic health philosophy, where the focus is on an individual's potential and abilities, rather than their disease and disability.

The centre's belief is that everyone has a right to artistic expression, and that people's creative process is something to be nurtured. Many people have found their time at Vincents to be therapeutic and life-changing.

Art studios, materials, and equipment are provided free of charge, along with skilled tuition in many different techniques. The venue at 84 Willis Street has a small gallery that hosts solo and group exhibitions of Vincents' art throughout the year.

Vincents has been actively involved with the annual Cuba Street Carnival, Mental Health Awareness Week, the Newtown Festival, the Fringe Festival, and other community events. It holds a group exhibition at the St James Theatre Gallery every year.

The annual operating costs of the workshop are around \$250,000, just under half of which comes from the Ministry of Social Development. The remainder comes mainly from the Wellington City Council and philanthropic trusts. Vincents also generates some income through fund-raising initiatives and donations.

Source: Vincents Art Workshop

New Zealand Historic Places Trust

The New Zealand Historic Places Trust Pouhere Taonga (NZHPT) is New Zealand's national historic heritage agency. The trust is established under the Historic Places Act 1993 and is an autonomous Crown entity governed by the Crown Entities Act 2004. Its board of trustees is assisted by the Māori Heritage Council, ensuring that the NZHPT reflects a bicultural view in exercising its powers and functions.

The NZHPT is funded by government through the Ministry for Culture and Heritage.

The NZHPT's role in identifying, protecting, preserving, and conserving historical and cultural heritage is extensive. This role includes:

- leadership on heritage issues important to New Zealand
- assisting Māori communities to identify and recognise wāhi tapu (sacred sites) and restore historic marae-related buildings and structures
- management, administration, and control of 46 nationally significant heritage properties
- establishing and maintaining the register of historic places, historic areas, wāhi tapu, and wāhi tapu areas
- administration of archaeological authorities with regard to activities that may destroy, damage, or modify archaeological sites
- statutory advocacy for protecting historic and cultural heritage, including issuing heritage orders and negotiating and executing heritage covenants
- providing grants or advances to property owners for restoring and protecting heritage places under the National Heritage Preservation Incentive Fund
- providing and distributing advice and information on protecting and conserving heritage places.

The NZHPT national office is in Wellington, with regional offices in Auckland, Wellington, and Christchurch, and area offices in Kerikeri, Tauranga, and Dunedin. The NZHPT has approximately 26,000 members who elect branch committees. Branches work closely with the trust's area managers, coordinators, and the community to raise awareness of heritage issues, and provide opportunities for participation in heritage-related activities.

Māori communities are increasingly concerned with, and active in, protecting and managing their heritage. The NZHPT provides conservation and funding advice, and practical training, to support whānau (families), hapū (subtribes), and iwi in managing their heritage.

The NZHPT is custodian of a portfolio of nationally important heritage properties, such as the Kerikeri Stone Store, Pompallier Mission at Russell, Alberton in Auckland, Te Pōrere redoubts near Turangi, Old St Paul's in Wellington, the Timeball Station in Lyttelton, and Totara Estate near Oamaru.

New Zealand's rich archaeological resource includes shipwrecks, historic pā and villages, battle sites, rock art sites, stone walls, gardens, whaling stations, and goldmining landscapes. The NZHPT administers a process to protect archaeological sites, and it is unlawful to disturb a site without their approval. Where a site is to be destroyed, damaged, or modified, NZHPT ensures that significant information is retained and documented in a credible, consistent, and coherent way.

Incentive funds are an important way of encouraging private owners to maintain historic buildings and structures. The NZHPT administers the National Heritage Preservation Incentive Fund (\$500,000 annually) to encourage the conservation of nationally significant heritage that is in private ownership.

Protection of antiquities and archaeological and traditional sites New Zealand has legal provisions to protect items and sites of historical and cultural significance. The Protected Objects Act 1975 includes provisions controlling the sale of Māori artefacts in New Zealand. Artefacts found after 1976 are deemed to be Crown property. There are export controls on culturally significant items: Māori artefacts; chattels relating to the European discovery, settlement, or development of New Zealand; written and printed matter; works of art, reproductions, prints, films, and sound recordings; specimens of animals, plants, and minerals; meteorites; remains of extinct fauna; and shipwreck items. The Historic Places Act defines an archaeological site as a place associated with pre-1900 human activity, where there may be evidence relating to the history of New Zealand. The Act makes it unlawful for any person to destroy, damage, or modify the whole or any part of an archaeological site (including archaeological investigations) without an archaeological authority from the NZHPT.

Archives New Zealand

As the government's lead agency in managing the nation's public records, Archives New Zealand Te Rua Mahara o te Kāwanatanga promotes good information management and is the official guardian of New Zealand's public archives.

Responsible for administering the Public Records Act 2005, Archives New Zealand:

- provides information management leadership and advice to public sector agencies, to ensure they create reliable and authentic records of their actions and manage their information effectively over time
- transfers public archives into its care and effectively manages and preserves them
- makes these archives accessible to the public, in person and online
- coordinates and leads the archiving community by providing advice and support.

Archives are important, both as the raw material for the history of New Zealand and for ensuring citizens can hold the government to account for its actions. In addition, a verifiable record provides the government with the protection that comes from its citizens trusting it to be truthful and accountable in its dealings.

Archives New Zealand stores, arranges, describes, and gives access to records from government agencies (past and present), and provides standards and advice to government agencies regarding best practice in information management.

Most public archives are held in Archives New Zealand's repositories in Dunedin, Christchurch, Wellington, and Auckland. The Wellington repository includes the Constitution Room, which houses some of New Zealand's most significant documents, including the 1840 Treaty of Waitangi, the 1893 Women's Suffrage Petition, and the 1835 Declaration of Independence of the Northern Chiefs.

In its leadership role, Archives New Zealand advises and assists local bodies, iwi, and community groups in the care, preservation, and disposal of their records and taonga. The Community Archive, formerly the National Register of Archives and Manuscripts, is an online community supporting this work.

Archives New Zealand is working collaboratively with other agencies in the heritage sector to provide better online access to the nation's heritage objects, and in the community, to support the development of professional skills in recordkeeping and archiving.

A very queer collection

The Lesbian and Gay Archives of New Zealand Te Pūnanga Takatāpui o Aotearoa Trust (LAGANZ) was formed in 1992 with the aim of providing an archival repository for the personal papers of lesbians and gay men, the archives of lesbian and gay organisations, and for related documents of historical interest.

An agreement with the Alexander Turnbull Library at the National Library of New Zealand means that LAGANZ's collections are housed there permanently and are open to researchers on the same basis as other research heritage collections.

LAGANZ's objectives have broadened since 1992 to include the active collection, preservation, and making available for creative use, of the historical and cultural records of New Zealand's diverse gay, lesbian, bisexual, transgender, intersex, takatāpui, fa'afafine, or queer communities.

Examples of the types of records LAGANZ collects include: records of community groups; personal papers of individuals; manuscripts and theses; books, magazines, and periodicals; photographs; community newspapers; audio and video recordings; and posters, badges, flyers, and other memorabilia.

LAGANZ's other activities include recording oral histories of queer New Zealanders, organising occasional conferences focusing on New Zealand queer history, and curating exhibitions of material from the archives.

More information is on the LAGANZ website (www.laganz.org.nz).

Source: Lesbian and Gay Archives of New Zealand

A first for women

Image removed due to copyright issues

Archives New Zealand

This is the first sheet of the Canterbury section of the 1893 suffrage petition, with suffrage leader Kate Sheppard's signature about halfway down the left column.

When Governor Glasgow signed the Electoral Bill on 19 September 1893, New Zealand became the first self-governing nation in the world to grant all adult women the right to vote in parliamentary elections. The Bill was the outcome of years of meetings in towns and cities across the country, with women often travelling considerable distances to hear lectures and speeches, pass resolutions, and sign petitions. A number of petitions were presented to both houses of Parliament from the early 1880s till 1893. Only two of these historically important documents are known to have survived and both are preserved at Archives New Zealand.

The first of these was the unsuccessful 1892 women's franchise petition, containing approximately 20,000 signatures. This was the culmination of many years' work by the Women's Christian Temperance Movement and prominent suffragist Kate Sheppard.

Despite the failure of this first petition, another was organised in 1893. Petition sheets were circulated throughout New Zealand and returned to Christchurch, where Kate Sheppard pasted each sheet end on end and rolled the massive petition around a section of a broom handle. The roll contained 23,853 signatures and, with the addition of 7,000 more before it was presented to Parliament, the petition met the suffragists' original target of 30,000 signatures.

The roll was presented to Parliament with great drama. John Hall, Member of Parliament and suffrage supporter, brought it into the house and unrolled it down the central aisle of the debating chamber until it hit the end wall with a thud.

The 1893 women's franchise petition is on display in the Constitution Room at Archives New Zealand, Wellington.

Source: Archives New Zealand

Library services

National Library of New Zealand

In December 2009 the National Library building in Wellington closed temporarily, in order to address issues of infrastructure and storage space. Library services, including public access to collections, are available from different locations in Wellington until the building reopens in 2012. More information can be found on the library's website (www.natlib.govt.nz).

The National Library of New Zealand Te Puna Mātauranga o Aotearoa was established in 1965 by an act of Parliament, which also incorporated the Alexander Turnbull Library into the National Library.

The National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003 replaced the earlier Act and confirmed the Crown's undertaking to preserve, protect, develop, and make accessible the collections of the Alexander Turnbull Library forever. It also created an independent advisory body to the government – the Library and Information Advisory Commission.

Under the 2003 Act, publishers are required to deposit copies of every publication produced in New Zealand, including electronic published material. The library lists these publications in the New Zealand National Bibliography, published monthly.

At 30 June 2009, the library's general collections held 686 e-books, 32,763 e-serials, 934,641 books, 28,322 print serial titles (of which 9,722 were current), 12 main microform collections, 14,722 audio-book titles, and 604,495 items in the schools collections.

Family history, music, and children's literature are strengths within the collections.

The National Library provides access to its general collections on site and by lending to other libraries through the interloan system. Items are also supplied to schools. Access to the records of most collections is available through the Internet.

Alexander Turnbull Library collections are not available for borrowing, but material can be selected and used in special areas of the library. Some items, such as microform copies of serials, newspapers, books, and manuscripts, and some oral history interviews and other unpublished sound recordings, may be available through interloan.

The National Library Gallery provides access to, and interpretation of, the library's heritage collections. It has suspended its usual programme of exhibitions and related public events while the building is being redeveloped.

Digital library services include:

- Te Puna – a suite of professional online tools such as the *National Union Catalogue*, the *New Zealand National Bibliography*, and the national inter-library loan system that support library operations in more than 200 New Zealand libraries.
- Web-based services – including digital collections (such as 'Papers Past' which contains over a million fully searchable pages from historical New Zealand newspapers), information sites, and community/social outreach sites.
- Collaborative digital services hosted and led by the National Library – such as DigitalNZ, which aims to help people find, share, and use New Zealand digital content; Aotearoa People's Network Kaharoa, which provides free broadband Internet services into public libraries; and EPIC, a buying consortium of more than 100 New Zealand libraries that is putting fully searchable electronic content into libraries.
- The National Digital Heritage Archive programme – which provides the systems and processes that enable the library to collect, preserve, and provide access to digital heritage collections.

Other services available from the National Library include:

- Research services – includes the family history area, where people can trace their family tree using books, CD-ROMs, and microfiche information from New Zealand and overseas.
- School services – located in 11 centres around the country and available to all New Zealand schools. School services staff provide advisory support on school library management and development through courses, seminars, and consultancy services. The curriculum information service provides reference services and loans of curriculum-related resources to teachers and home-schoolers, from the schools collection and online information resources.
- Services to Māori – this department helps Māori gain optimum use of the library's resources and services.
- National Preservation Office – an advisory service, established by the National Library and National Archives in 1997, which includes training in preservation management and conservation assessments.
- Print disabilities service – provides audio books to people with print disabilities who cannot independently access information in a printed form.

The Alexander Turnbull Library is part of the National Library and holds collections of books, photographs, manuscripts and archives, letters, drawings and prints, music, newspapers, maps,

Image removed due to copyright issues

The Dominion Post

New Zealand's 330 public libraries serve the reading needs of people all over the country. Sue Braggins and her nine children, aged between three and 26, are enthusiastic borrowers from their local library in Wainuiomata.

and sound recordings that document the history of New Zealand and the Pacific. Significant holdings are a major research collection on John Milton and his times, a selection of illuminated manuscripts, and New Zealand's largest collection of early printed books and fine printing. The library was started by Alexander Horsburgh Turnbull, a wealthy Wellington merchant who died in 1918 and bequeathed to the nation 55,000 volumes, as well as manuscripts, photographs, paintings, and sketches collected during his lifetime.

The Alexander Turnbull Library has more than 350,000 books, including 44,000 rare books, 60,000 maps, and more than 190,000 items of printed ephemera. The national newspaper collection is approximately 1,600 metres in total, and there are more than four kilometres of serials/magazines. The library holds over 10 kilometres of manuscripts and archives; in excess of four million photographs, negatives, and albums; more than 100,000 paintings, drawings, prints, and cartoons; and approximately 40,000 discs, tapes, and cassettes of music and oral history recordings. There are more than 140,000 microfilm reels.

The **Oral History Centre** of the Alexander Turnbull Library contains recordings of the many different voices of New Zealanders. The recordings provide valuable information about language, accent, inflection, emphasis, and tone. The centre conducts weekly or monthly interviews with people such as leading politicians or the long-term unemployed. With more than 25,000 hours of spoken recording in analogue and digital formats, the Alexander Turnbull Library has the most extensive collection of oral history recordings in the country.

The **New Zealand Cartoon Archive** is part of the Alexander Turnbull Library. Its purpose is to collect historical and contemporary New Zealand editorial cartoons and to promote the collection to the New Zealand public. The archive now contains more than 30,000 cartoons, several thousand of which can be viewed on the National Library's Timeframes website.

Public Lending Right for New Zealand Authors Scheme

Administered by the National Library, this scheme (previously known as the New Zealand Authors' Fund) compensates authors for the use of their books in New Zealand public libraries. Every year, approximately \$2 million is distributed among more than 1,700 New Zealand writers.

Parliamentary Library

The Parliamentary Library supports members of Parliament and parliamentary staff with a range of research and information services, as required by the Parliamentary Service Act 2000. Library staff, including research analysts and research librarians, answer information requests, write research papers, and help members of Parliament keep up to date with relevant issues.

A wide range of electronic resources is available on Parliament's intranet. The library's print collection numbers around 500,000 volumes, including a complete set of New Zealand parliamentary publications. As a result of longstanding exchange and depository arrangements, the library has a significant number of international official publications, known as the International Documents Collection.

The best books of 2009

The New Zealand Post Book Awards recognise excellence and provide recognition for the best books published annually in New Zealand.

In 2009, the winners were: *Novel About My Wife* by Emily Perkins (Montana Medal for Fiction), *Rita Angus: An artist's life* by Jill Trevelyan (Montana Medal for Non-Fiction), and *He Pātaka Kupu: Te kai a te rangatira* (winner of the Māori Language Award), the first-ever dictionary written entirely in te reo Māori, compiled by Te Taura Whiri i te Reo (the Māori Language Commission).

Other winners were *The Rehearsal* by Eleanor Catton (New Zealand Society of Authors Hubert Church Best First Book of Fiction Award), *Everything Talks* by Sam Sampson (New Zealand Society of Authors Jessie Mackay Best First Book of Poetry Award), and *Mates & Lovers: A history of gay New Zealand* by Chris Brickell (New Zealand Society of Authors E H McCormick Best First Book of Non-Fiction Award).

The New Zealand Post Children's Book Awards recognise the best in books for children and teens.

In 2009, *The 10pm Question* by Kate De Goldi won the award for New Zealand Post Book of the Year and was also the winner of the young adult fiction category.

The junior fiction category was won by *Old Drumble* by Jack Lasenby, the non-fiction category by *Back & Beyond: New Zealand painting for the young & curious* by Gregory O'Brien, and the picture book category by *Roadworks*, written by Sally Sutton and illustrated by Brian Lovelock.

The Were-Nana, written by Melinda Szymanik and illustrated by Sarah Nelisiwe Anderson, won the Children's Choice Award, and the Best First Book Award went to *Violence 101* by Denis Wright.

Source: Booksellers New Zealand

Literary links celebrated

Image removed due to copyright issues

1/2-011912-F Ida Baker Collection
Alexander Turnbull Library

Katherine Mansfield outside the Villa Isola Bella, in Menton, in 1920.

Locals and visitors to Menton in the south of France enjoyed a week of New Zealand literary and culinary events in September 2009.

The town where writer Katherine Mansfield lived in 1920–21 celebrated 40 years of the New Zealand Post Mansfield Prize (formerly the Katherine Mansfield Fellowship). The New Zealand Embassy to France facilitated the celebrations.

Writers who have benefited from the prize, including Jenny Patrick, CK Stead, Vincent O'Sullivan, Fiona Farrell, and Stuart Hoar attended the celebrations. Some read from their work in local gardens and two films inspired by other former winners were shown.

A New Zealand/France Friendship Fund grant gave university students and teachers a chance to attend a writing and translation seminar that featured work by prize-winning writers.

Mansfield herself was also remembered in events – a symposium organised by the Katherine Mansfield Society, with international experts and academics; public seminars on her reputation in France; a guided tour to trace Mansfield's steps, with readings of letters to her husband; and a library exhibition about her time in Menton.

When the body needed feeding, a special menu designed by New Zealand chef Rachel Greegan and prepared by the local hospitality school was available – it featured New Zealand mussels, lamb, kiwifruit, and wine.

Since 1970, the prize has allowed 40 established New Zealand writers to spend six months or more focused on a writing project in the place where Mansfield worked – Villa Isola Bella. The successful writer receives prize money for return air fares, accommodation, and living expenses while they work in Menton.

Ken Duncum was the 2010 writing fellow in Menton.

Source: Ministry of Foreign Affairs and Trade

Services to the public include the Parliamentary Information Service, which responds to public enquiries on all aspects of the New Zealand Parliament, and the International Documents Service. Research papers written by library staff are available to the public on Parliament's website (www.parliament.nz).

The library has responsibility for information and knowledge management within the Parliamentary Service, including administration of Parliament's website and intranet (in conjunction with the Office of the Clerk of the House of Representatives).

Hocken Collections

Founded in 1910 through a gift from Dr T M Hocken, Dunedin physician, bibliographer, and collector, the Hocken Collections Uare Taoka o Hākēna contain major research collections about New Zealand, the Pacific, and early Australia.

Administered in trust by the University of Otago, the collections include more than 260,000 books and periodicals, 9,500 linear metres of archives, 2,750 linear metres of newspapers, 14,000 sound recordings, 2,700 pieces of sheet music, 1,000 videos and DVDs, 22,000 microforms, 12,000 maps, over a million photographs, and more than 14,000 paintings from the 18th century to the present day.

The collections are rich in sources for New Zealand studies, including early missionary history; art history; literary study; business history, local history, health, education, sport, schools, community organisations, and churches; and the University of Otago.

To mark the centenary of the Hocken Collections in 2010, digital images of selected pictures donated by Dr Hocken in 1910 can now be seen online (digital.otago.ac.nz).

Public libraries

The library needs of the majority of New Zealanders are met through public libraries provided by local authorities. Most cities and districts provide a coordinated library service to the whole district's population. There may be a number of service points, which could include a central district or city library.

In 2009 there were 72 regional authority library services in New Zealand with a total of 330 public libraries.

Other libraries

There are more than 60 libraries in tertiary education institutions, including very significant research collections at the universities. These collections are recorded in Te Puna, the national catalogue, and underpin New Zealand's inter-library loan and document delivery systems.

Every New Zealand school has a library or library room.

Developments in information technology, including easy access to the Internet, have enabled much more intensive use of remote electronic databases, and the ability to source material from external databases and collections.

More than 200 specialist libraries and information centres serve government departments, businesses, and other organisations.

A cooperative inter-library lending system allows resource sharing among libraries.

Literature

New Zealand Society of Authors

Established in 1934, The New Zealand Society of Authors (PEN NZ Inc) is the principal advocate for the professional interests of writers, protecting basic rights to freedom of expression, working to improve income and conditions, and promoting New Zealand writing and literary culture. Membership is open to anyone interested in writing. The society had 1,330 members at 30 September 2009.

The society's mentor and manuscript assessment programmes provide emerging writers with qualified professional feedback on their writing, while contract and publishing advisory services provide advice on all aspects of the publishing process.

Booksellers New Zealand

Booksellers New Zealand is committed to fostering a strong, efficient, and professional book industry by increasing the sales of books, developing industry knowledge, and assisting with business operating costs.

As the trade organisation representing the majority of booksellers and publishers in the country, Booksellers New Zealand undertakes national book promotions. It works closely with other arts sector groups, book organisations, the media, and sponsors.

Booksellers New Zealand organises the New Zealand Post Book Awards and the New Zealand Post Children's Book Awards and festival, and is a sponsor of New Zealand Book Month.

Publishers Association of New Zealand

The Publishers Association of New Zealand (PANZ) is the trade association for book publishers and distributors in New Zealand. It represents the interests of the industry to government and other agencies; serves as a professional organisation, providing a range of services including training; and protects copyright and promotes trade by its members in domestic and export markets. PANZ was formerly known as the Book Publishers Association of New Zealand (BPANZ).

Performing arts

New Zealand Music Commission

The New Zealand Music Commission was established in June 2000 as a government-funded charitable trust to help develop the New Zealand music industry. It does so through specific projects, such as New Zealand Music Month, and education programmes that include musicians and band mentoring. Its international department represents New Zealand at strategic offshore trade shows and runs the Outward Sound grants assistance programme.

One of the commission's functions is to facilitate the flow of information within the music industry. It does this through its website (www.nzmusic.org.nz), where companies can find out about projects and get advice on matters such as tours, media, and taxation.

New Zealand Symphony Orchestra

The New Zealand Symphony Orchestra Te Tira Pūoro o Aotearoa (NZSO), founded in 1946, is the country's national professional orchestra. It has 90 players and performs more than 100 concerts annually. Touring within New Zealand is an important part of the orchestra's activities – while all of its main symphonic programmes are presented in Auckland and Wellington, the orchestra also visits around 30 other towns and cities each year.

In August 2008 the NZSO travelled to China to take part in the Beijing Olympic Cultural Festival. During this prestigious tour the orchestra performed at the Forbidden City and the National Centre for the Performing Arts.

Pietari Inkinen has been the NZSO's music director since January 2008. Other conductors who have worked with the orchestra include Xian Zhang, Alexander Lazarev, Dmitry Sitkovetsky, David Atherton, Yan Pascal Tortelier, and Edo de Waart. Recent soloists include Lang Lang, Pinchas Zukerman, Lynn Harrell, Cho Liang Lin, Hilary Hahn, Vadim Repin, Yefim Bronfman, Simon O'Neill, Steven Isserlis, and Dame Kiri Te Kanawa.



Richard King

The WOMAD (World of Music, Arts and Dance) festival has been a regular fixture at New Plymouth's Brooklands Park since 2003, filling the gardens for three days with diverse sounds and sights. The 2010 event featured 266 performers from 19 countries on seven stages.

The NZSO has an extensive catalogue of CD recordings, mostly on the Naxos label. Over 1 million of these CDs have sold internationally in the decade to 2010.

NZSO National Youth Orchestra The NZSO delivers an extensive programme of national education and community projects. At the heart of this programme is the NZSO National Youth Orchestra, which brings together around 90 instrumentalists aged 13–25 years for an annual residency of intensive rehearsals, culminating in public concerts. Live auditions take place nationally during April and applicants are independently assessed by NZSO principals. The principals also assist with teaching workshops and coaching during the six days of pre-concert preparation.

In 2009 the youth orchestra celebrated its 50th anniversary with a series of events that brought together players from throughout its history. Many have since become NZSO and regional orchestra musicians while others have developed careers overseas as orchestral musicians, soloists, chamber musicians, and teachers.

Chamber Music New Zealand

Founded in 1940, Chamber Music New Zealand (CMNZ) is the major presenter of chamber music concerts in New Zealand. International and New Zealand artists perform in main season concerts in 10 centres, with additional concerts in 22 smaller cities and towns that are presented in association with local music societies. More than 150 concerts and events were given in 2009.

CMNZ has strong ties with artist management and concert presenters worldwide and a commitment to developing New Zealand musicians and composers.

Taking New Zealand music to the world

Image removed due to copyright issues

The New Zealand rock band Midnight Youth was thrust into the limelight in 2006 when selected to play with the Australian band INXS in two of their New Zealand shows that year. They are one of many bands and musicians who have benefited from the New Zealand Music Commission's Outward Sound programme.

Outward Sound is an international music market development grants programme set up by the New Zealand Music Commission in 2005. Its aim is to help develop global markets for New Zealand music and musicians. Industry practitioners (such as artists and managers) and firms (such as record companies) are eligible for assistance through the Outward Sound programme.

The core activities of Outward Sound are research, collaboration, network development, and information sharing. The programme is open to music from all genres, and applicants can target markets anywhere in the world where they believe there is likely to be an interest. Bands, composers, songwriters, producers, companies, and solo artists can all benefit from Outward Sound, whether they are well known or newcomers to the industry.

Many musicians and organisations have benefited from the programme:

- The rock band Midnight Youth has signed with the social networking website MySpace, which will market them internationally for two years in a deal valued at US\$500,000 per year. The band's debut album *The Brave Don't Run* was released through Warner Music in Australia in mid-2010.
- Brook Fraser's *Albertine* album was named the 2008 album of the year in *Christianity Today* and Best Christian Album on Amazon.com. Brook is based in the United States where she continues to tour and promote her music to a steadily growing fan base.
- With the 2009 APRA Silver Scroll award under his wing, Lawrence Arabia (aka James Milne), headed to the United Kingdom in early 2010 to release his album *Chant Darling* through the Bella Union label. The album received positive reviews from many highly regarded British magazines, including *NME*, *Uncut*, *Mojo*, and *Q*.

Source: New Zealand Music Commission

Image removed due to copyright issues

NZTrio

The Auckland-based NZTrio actively commissions works by leading New Zealand composers, and collaborates with musicians of diverse musical styles. The trio was formed in 2002 and performs throughout New Zealand and overseas.

In 2009 Pinchas Zukerman and his ensemble toured the country in a collaboration between CMNZ and the New Zealand Symphony Orchestra. CMNZ celebrated its 60th anniversary in 2010 with a season that included the Russian Borodin Quartet, who first toured New Zealand in 1965.

In 1987, CMNZ established the New Zealand String Quartet, a professional, full-time quartet that has an international reputation.

CMNZ has organised the annual school chamber music contest for secondary school students since 1945. The 2009 contest attracted more than 540 groups, involving more than 2,000 young musicians in 15 centres throughout New Zealand.

Ticket sales are a major source of CMNZ's funding; further support is received from Creative New Zealand and other sponsorship.

New Zealand Choral Federation

The New Zealand Choral Federation Te Kotahitanga Manu Reo o Aotearoa (NZCF) is a non-profit organisation whose central purpose is to promote the performance, creation, and enjoyment of choral music. Formed in 1985, the NZCF represents more than 13,000 choral members and 300 personal members. The NZCF is a member of the International Federation for Choral Music.

The NZCF promotes high standards in choral singing in New Zealand by providing professional education in choral conducting and rehearsal; offering skilled tutors in choral singing; supporting young singers; fostering support, coaching, and mentoring for choral directors; and promoting bonds between choral groups and other organisations.

The NZCF encourages choral singing by running festivals that include the Big Sing for secondary school students, the Kids Sing festivals for primary students, and the Classic Sing for adult chamber and community choirs. Choral clinics bring international people to work with choral conductors and regional workshops help choir members build their skills. Sing Aotearoa is a festival led by guest conductors that is held every three years. It includes workshops and concerts by some of the country's finest choirs.

Royal New Zealand Ballet

The Royal New Zealand Ballet is one of New Zealand's largest performing arts organisations, with 32 dancers, and 25 staff in artistic support, production, marketing, and management.

Established in 1953, it is the oldest professional ballet company in Australasia.

With a strong classical base and a healthy attitude towards innovation, the company presents an eclectic repertoire of choreographic styles, from 19th-century classics to contemporary works from the 21st century. Through these productions, the Royal New Zealand Ballet aims to inspire and challenge both the artists and audiences.

Dancers of the Royal New Zealand Ballet possess physical strength and versatility, and a well-developed sense of individuality. New international and New Zealand choreography features prominently in the company's repertoire.

Theatre marae helps at-risk youth

Te Rakau Hua o te Wao Tapu is the longest surviving Māori community theatre and theatre-in-education company in New Zealand.

Under the leadership of Jim Moriarty, Te Rakau works in marginalised and mainstream communities, utilising the unique form of 'theatre marae'. The theatre is registered as a charitable trust and is based in Wellington.

Te Rakau has worked in prisons, youth justice centres, and in the community, employing techniques from group therapy, anger management, and addiction therapy to enable participants to present public theatre to a paying audience. Using Māori ritual, the company diverges from conventional theatre to produce a uniquely bicultural theatre practice.

The core philosophy of 'theatre marae' has been to use historical and contemporary performance methodologies and the cultural practices of both Māori and European people to draw together a whānau (family) under a common kaupapa (set of beliefs).

Along with wellness tools such as alcohol and drug awareness, anger management, conflict resolution, and understanding the concepts of decolonisation and whanaungatanga (extended family), Te Rakau uses kapa haka (cultural performance) techniques that include waiata (music), haka (a vigorous dance), patu, mau rākau, and taiaha (all forms of weaponry), alongside contemporary European theatre practices.

Since 2005, Te Rakau has been a social service provider under contract to Child, Youth and Family, to deliver a residential therapeutic recovery programme for at-risk youth.

Participants are taught to think safely and responsibly while on their path to personal wellness. Through processes that include performing arts, education, life/work skills, and behavioural therapies, those taking part are helped to move back to family and community.

Participants are encouraged and supported to explore their pūrotu, or 'magic within'. Their productions are performed in prisons, schools, marae, remote communities, arts festivals, and mainstream theatres.

Source: Te Rakau Hua o te Wao Tapu

Image removed due to copyright issues

The New Zealand Herald

Rapper Steezy (Aynsley Malase) recording at the Otara Music Arts Centre in Auckland. He was one of eight students from Tangaroa College taking part in a project that encourages learning through hip-hop music.

The company tours New Zealand more extensively and frequently than any other major performing arts organisation. In 2009, 87,387 patrons attended 122 performances in 65 centres across the country. The Education and Communities Programme reached more than 18,000 New Zealanders.

International tours have taken the ballet to the United States, Europe, Asia, and Australia.

The company receives 45 percent of its income directly from central government through the Vote Arts, Culture and Heritage allocation, and 55 percent from box office sales and sponsorship.

New Zealand School of Dance

Founded in 1967, the New Zealand School of Dance (NZSD) is one of the Southern Hemisphere's leading dance schools, offering tertiary-level training in both classical ballet and contemporary dance. The school offers a two-year Certificate in Dance Performance and a three-year Diploma in Dance Performance. Approximately 70 students train at the school during three years of study. Most NZSD students come from New Zealand and Australia. However, in recent years, the school has also trained students from China, Russia, Singapore, Japan, Brazil, Malaysia, and Tahiti.

The school has a close relationship with national and international professional dance companies and students are often seconded to companies as part of their training. Students are also able to work with artists-in-residence and international tutors, and they present two performance seasons each year. The school also offers junior associate and regional associate programmes and an annual winter school for aspiring young dancers.

The NZSD is based at Te Whaea: National Dance and Drama Centre, which it shares with Toi Whakaari: New Zealand Drama School.

The NZSD is funded by the Tertiary Education Commission, and receives additional funding from tuition fees, private donations, sponsorships, and grants.

Toi Whakaari: New Zealand Drama School

Te Kura Toi Whakaari o Aotearoa: New Zealand Drama School, established in 1970, is the premier training ground for entertainment professionals in New Zealand. Nearly 700 graduates have gone on to successful careers in theatre, television, film, radio, and performance, both in New Zealand and internationally.

The Wellington-based tertiary institution offers students the following courses: Bachelor of Design for Stage and Screen, Master of Theatre Arts in Directing, Bachelor of Performing Arts (Acting or Management), Diploma and Advanced Diploma in Entertainment Technology, and Diploma in Costume Construction – for theatre, film, and allied industries.

The school is funded by the Tertiary Education Commission, tuition fees, sponsorship, and grants. In 2009, annual fees ranged from \$4,850 to \$5,500.

New Zealand Opera Ltd

New Zealand Opera Ltd was formed in 2000 with the merging of the National Opera of Wellington and Auckland's Opera New Zealand. The company aims to provide a high-calibre arts experience through theatrical productions that engage the audience and create excitement about the art form.

In its first 10 years, the company significantly increased its audience, through both main city and national touring productions. Productions have included several New Zealand premieres and involved talented New Zealand opera performers and creative teams, as well as international artists. Integral to the company's productions are the Chapman Tripp Opera Choruses, based both in Auckland and Wellington. The company also collaborates with regional orchestras and festivals around New Zealand.

In 2009 the company staged Rossini's *The Italian Girl in Algiers* and Tchaikovsky's *Eugene Onegin*. The 2010 productions were Mozart's *The Marriage of Figaro* and Verdi's *Macbeth*.

The company actively seeks to develop and nurture young talent through a three-tier internship structure: the PricewaterhouseCoopers Dame Malvina Major Emerging Artists, and Young Artists, programmes, and the NBR New Zealand Opera Resident Artists programme. Development training focuses on all aspects of building a career in opera, including voice and performance, with regular tuition from leading opera professionals.

Opera Outreach is an initiative designed to make opera more accessible to young people. This is achieved by hosting creative workshops that give school students the chance to create and perform in their own opera or musical drama, and by having school children attend final dress rehearsals of each opera season.

Film and video

New Zealand Film Commission

The New Zealand Film Commission Te Tumu Whakaata Taonga (NZFC) was established in 1978 with the statutory responsibility "to encourage and participate and assist in the making, promotion, distribution and exhibition of films made in New Zealand by New Zealanders on New Zealand subjects". It provides financial assistance to films with significant New Zealand content as defined in the New Zealand Film Commission Act 1978; this definition includes official co-productions.

The NZFC provides loans and equity financing to New Zealand filmmakers to assist in developing and producing feature films and short films. The NZFC does not itself produce films. It is active in selling and marketing New Zealand films through its sales agency NZ Film, and it organises high-profile New Zealand participation at major international film festivals and markets. It also assists with training and professional development within the industry by partnering with other industry organisations.

The NZFC aims to invest in at least four feature films and eight short films every year.

NZFC's budget varies according to the availability of public funding and the returns on film investments. The majority of the NZFC's budgeted income comes from the government and the Lottery Grants Board, with the remainder coming from film earnings and interest. In the 2009/10 financial year the NZFC's total budgeted income was \$18.6 million. It budgeted to invest \$2.3 million in the development of feature films, \$14.4 million in the production of feature films, \$1.1 million in the production of short films, and \$1.7 million in the promotion and marketing of features and shorts.

Image removed due to copyright issues

Busking wins awards

Image removed due to copyright issues

The Press

British busker Herbie Treehead performing in Cathedral Square, Christchurch. Seven-year-old Lucas O'Neill seems unwilling to share his ice cream with the entertainer.

The World Buskers Festival won two awards, including the supreme award (small enterprise), in the 2009 Champion Canterbury Awards. Celebrating business excellence, passion, and success in the community, the awards recognise the contribution that enterprises of all sizes make to the vitality of the Canterbury region.

Now under the stewardship of the Christchurch City Council, the World Buskers Festival has been running for 17 years in Christchurch. It is Australasia's largest street performance event and consistently tops the list as Christchurch's favourite event.

The festival attracts performers from around the world and New Zealand, to place themselves in front of enthusiastic (and fickle) audiences who are encouraged to put money into a hat at the end of a show.

For 10 days, jugglers, musicians, comedians, and others offer hundreds of free shows at venues around the city, many within walking distance of each other.

The World Buskers Festival is high-energy entertainment – action-packed and accessible to thousands of locals and visitors each January.

Source: Champion Canterbury Awards; World Buskers Festival

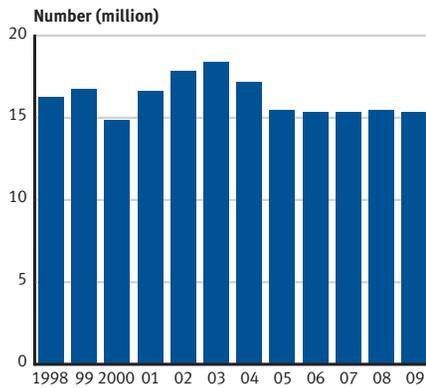
Darryl Ward

Rocky (Te Aho Eketone-Whitu, left), Boy (James Rolleston), and their father Alamein (Taika Waititi) play war on the beach in a scene from the popular 2010 feature film Boy, directed by Taika Waititi.

Figure 12.01

Cinema admissions

Year ending 31 December



Note: 1997, 2003 and 2008 include 53 weeks.

Source: Motion Picture Distributors' Association

In the 32 years since the NZFC was established, more than 200 feature films have been made in New Zealand, more than 140 of them with NZFC finance. Examples of recently released NZFC-financed feature films include: *The Vintner's Luck*, *Second-Hand Wedding*, *The Topp Twins: Untouchable girls*, *Boy*, and *Home by Christmas*.

The NZFC administers the Screen Production Incentive Fund. This provides a grant of 40 percent of qualifying New Zealand production expenditure on eligible New Zealand films, and 20 percent of eligible television and other screen production expenditure.

The NZFC also administers the Large Budget Screen Production Grant. Aimed at attracting large-budget film and television production to New Zealand, the incentive has been in place since 2003 and provides a 15 percent grant on production expenditure over a certain value.

Distribution and exhibition

Film-going peaked at 40.6 million admissions in 1960/61, but declined dramatically after the introduction of television in 1960, and later, of home videos.

However, as figure 12.01 shows, cinema admissions were generally showing steady growth in recent years, to reach a peak of more than 18.3 million in 2003, before dropping to around 15.3 million in 2009.

According to Motion Picture Distributors' Association figures, box office takings in 2009 were \$170.0 million, compared with \$156.6 million in 2008 and \$151.7 million in 2007.

New Zealand Film Archive

The New Zealand Film Archive Ngā Kaitiaki o ngā Taonga Whitiāhua (NZFA) has three principal functions – to collect, protect, and connect New Zealanders with their moving image heritage.

Established in Wellington in 1981, the archive's collections reflect the breadth of New Zealand's moving image history, from the earliest days of cinema to contemporary film, video, and digital productions.

The film and video collection includes features and short films, newsreels, documentaries, home movies, music videos, broadcast programmes, commercials, and video art.

The NZFA also maintains the national television collection on behalf of NZ On Air. This collection represents a diverse range of broadcasters and programming, including television news, drama, documentaries, game shows, music videos, infomercials, youth programming, and sport.

The documentation collection has promotional, critical, and historical materials from 1896 onwards. The collection also includes stills, posters, scripts, clippings, programmes, publicity material, production records and files, personal records, storyboards, props and costumes, animation cells, taped interviews, and equipment.

Top 12 films at the box office

The New Zealand Film Commission (NZFC) sees its most important role is ensuring that quality feature films made specifically for New Zealand audiences keep getting made. The NZFC allocates the majority of its annual budget to feature film production.

Seven films with investments totalling \$12 million were made in 2008/09, resulting in total production expenditure of \$27 million. *Second-Hand Wedding* was the most popular New Zealand feature released domestically in 2008, attracting more than 188,000 people in 36 weeks and making more than \$1.91 million at the box office. In the same period, *The*

Topp Twins: Untouchable girls attracted an audience at home of more than 180,000, and became the highest-grossing documentary feature ever to screen in New Zealand cinemas. These films were two of seven NZFC-financed feature films released in New Zealand between 2004 and 2008 that attracted audiences of more than 100,000.

Although largely shot in New Zealand by New Zealand-based or expatriate directors, global blockbusters such as *King Kong* and *The Lord of the Rings* are not included in the top 12 as they were not funded by the NZFC.

Top 12 New Zealand films

New Zealand box office
To 14 July 2009

Film	Director	Amount (\$)	Year
<i>The World's Fastest Indian</i>	Roger Donaldson	7,047,000	2005
<i>Once Were Warriors</i>	Lee Tamahori	6,795,000	1994/95
<i>Whale Rider</i>	Niki Caro	6,400,000	2003
<i>Sione's Wedding</i>	Chris Graham	4,075,000	2006
<i>What Becomes of the Broken Hearted</i>	Ian Mune	3,200,991	1999
<i>Footrot Flats</i>	Murray Ball	2,420,000	1986/87
<i>Second-Hand Wedding</i>	Paul Murphy	1,910,000	2008
<i>The Topp Twins: Untouchable girls</i>	Leanne Pooley	1,813,572	2008
<i>Goodbye Pork Pie</i>	Geoff Murphy	1,600,000	1981
<i>In My Father's Den</i>	Brad McGann	1,500,000	2004
<i>Scarfies</i>	Robert Sarkies	1,259,626	1999
<i>Out of the Blue</i>	Robert Sarkies	1,135,685	2006

Source: New Zealand Film Commission

While based in Wellington, where it has a library and holds screenings and exhibitions, the NZFA has a branch in Auckland, and video access sites in art galleries and museums in Whangarei, Hamilton, New Plymouth, Palmerston North, Ōtaki, Christchurch, and Dunedin. Its catalogue is available online (www.filmarchive.org.nz).

The NZFA receives public funding through the Vote Arts, Culture and Heritage allocation, and the New Zealand Lottery Grants Board, New Zealand Film Commission, and NZ On Air.

Censorship

The Films, Videos, and Publications Classification Act 1993 covers many kinds of media, definitions of which can be found on the Office of Film and Literature Classification's website (www.censorship.govt.nz).

Administration The Act established the following bodies:

- Office of Film and Literature Classification (OFLC) – an independent Crown entity with censors, classification officers, an information unit, and support staff. The office classifies publications likely to be restricted or objectionable, provides information on the classification system to the public, and conducts research.
- The Film and Video Labelling Body – an industry-based body responsible for rating unrestricted films and videos and issuing labels. New Zealand ratings may be based on those assigned by Australian or British authorities. Ratings are consumer guides, not legal restrictions. If a film is likely to be restricted, or if the labelling body is having difficulty assigning a rating, the film is referred to the OFLC. The body submits publications to the office on behalf of distributors.
- Film and Literature Board of Review – a board consisting of members of the public appointed by the governor-general on the recommendation of the Minister of Internal Affairs. The Act provides for the original applicant, the owner, maker, publisher, or authorised distributor, or any other person the secretary for internal affairs allows, to submit a publication for a review of its classification. The board re-examines the publication, without considering the decision of the OFLC. The president of the board can also make a decision on any application for an interim restriction order on any publication, preventing a publication being available before the board issues its decision. The board is an independent statutory body supported by the Department of Internal Affairs.

Classification The Films, Videos, and Publications Classification Act established a legal test that considers whether availability of a publication would be injurious to the public good. This test is applied before deciding if restriction is required, and if so, at what level – to people over a certain age (up to 18 years), to a person or class of persons, or to a specified purpose. It can ban a publication and can also place no restriction on one. Publications classified by the OFLC deal with sex, horror, crime, cruelty, or violence.

After classification, films are labelled by the Film and Video Labelling Body. Films rated G (suitable for general audiences) have green labels. Yellow labels (PG and M) are issued for unrestricted films recommended for a certain age or group. A PG rating means that younger persons may require parental guidance. An M rating recommends a film for mature audiences 16 years and over. Red labels signify a restricted film. Computer games fall under the definition of films, and the Act requires that films intended for supply to the public must be labelled. However, games are exempt from labelling unless they are likely to be restricted – those with restricted content must be classified. Publications other than films are not required to be labelled before being supplied to the public. However, distributors or publishers can ask to submit publications such as magazines and books for classification. If the chief censor grants leave, the OFLC will classify the material as unrestricted, restricted, or objectionable. In addition to labelling, display conditions may be imposed.

Publications can also be submitted to the OFLC by the secretary for internal affairs, the comptroller of customs, commissioner of Police, or anyone else the chief censor allows. The chief censor can also 'call in' publications. Classifications assigned are legally enforceable. Under the Act, it is illegal to possess or supply an objectionable publication, whether or not the publication has been classified. It is illegal to supply or exhibit a restricted publication to people under the age of the restriction.

Enforcement The Department of Internal Affairs enforces the Act. It aims to increase compliance with New Zealand's censorship laws by ensuring that the film and video industry, magazine distributors, and shops adhere to the OFLC decisions. Inspectors check compliance, to ensure that restricted material is correctly labelled and displayed and objectionable material is not available. The unit also inspects New Zealand websites. It is the primary agency for monitoring, investigating, and prosecuting offences involving objectionable material – across all publication formats.

The unit investigates the making and distribution of child pornography on the Internet, and has strong links to overseas law enforcement agencies. New Zealand Police also inspects publications under the Act, with the same powers as censorship compliance inspectors. The New Zealand Customs Service ensures that imported material complies with the law. Customs may refer seized material to the OFLC.

Copyright

Copyright in New Zealand is based on the Copyright Act 1994, and is administered by the Ministry of Economic Development.

The Copyright (New Technologies) Amendment Act 2008 amended the 1994 Act to clarify how existing rights and exceptions would be applied in the digital environment and to take account of international developments.

Copyright protection in New Zealand exists automatically on the creation of any original literary, dramatic, musical, or artistic work (including photographs), sound recording, film, communication work (including broadcast and cable programme), and typographical arrangement of published editions. Computer programs are protected under 'literary work'.

No registration is necessary (or possible), nor is any other formality required to secure copyright protection.

Duration For literary, dramatic, musical, and artistic works (including photographs), copyright continues for the lifetime of the author, plus 50 years after the year the author dies. For sound recordings and films, copyright generally continues for 50 years after the year in which they were made, or made available (whichever is later). For communication works, copyright continues for 50 years after they were first communicated to the public.

Copyright in typographical arrangements of published editions is for 25 years after they were first published. Shorter periods apply to works that are industrially applied.

Ownership The first owner of copyright is usually the work's author – the person who created the work. However, if this person created the work in the course of employment, then the employer is the first owner. For most works (such as sound recordings, films, photographs, and computer programs), if the author was commissioned to make the work, the first owner is the commissioner. For works commissioned or created by an employee, the parties can vary the first ownership rule. Ownership can also be assigned in writing to another person. The commissioning rule is under review.

Moral rights Authors and directors have certain 'moral rights' in addition to the economic rights provided under the Copyright Act. These include the rights to be identified as the author of a work, to object to derogatory treatment of the work, and to not have a work falsely attributed to them. Moral rights cannot be assigned to another person except on the death of the author.

Exclusive rights of owners The copyright owner has the exclusive right to do, and authorise others to do, 'restricted acts' in relation to the work or an adaptation of the work in New Zealand. These include rights to make copies; issue copies to the public, including the rental of films, computer programs, and sound recordings; perform, play, or show the work in public; broadcast the work or include the work in a cable service; and make an adaptation of the work. Copyright is infringed when someone does this without the permission of, or a licence from, the copyright owner.

Exceptions Exceptions to exclusive rights, called 'permitted acts', allow copyright works to be used without the permission of the copyright owner. These include fair dealing for criticism, review, and news reporting; fair dealing for research and private study; recording communication works for listening or watching at another time; copying sound recordings for personal use; and backing-up computer programs. Libraries, archives, and educational institutions have specific exceptions.

Performers' rights Performers have certain limited rights to control exploitation of their performances where they have not given consent. This includes, for example, the right to control the recording, or communicate to the public a live performance. Protected performances include dramatic, musical, and variety performances, and readings and recitations of literary works. Protection is provided for 50 years from when the performance takes place.

Enforcement Action for copyright infringement in New Zealand is generally through civil action by the owner. Remedies include damages, injunctions, or an order for 'delivery up'. Criminal offences apply to certain commercial activities and can result in fines up to \$150,000, or five years imprisonment.

Copyright Tribunal The role of the Copyright Tribunal is to resolve disputes regarding licences or proposed licences for the copying, performing, or broadcasting of copyright works.

Protection overseas New Zealand is a signatory to various international copyright agreements. Participation in these agreements means that when an original work is created in New Zealand, it is also automatically protected in countries that are signatories to these agreements. And original works created in other countries are protected in New Zealand.



New Zealand Defence Force

The New Zealand Memorial in London was dedicated in November 2006 in a ceremony attended by Queen Elizabeth II, then British Prime Minister Tony Blair, and then New Zealand Prime Minister Helen Clark. The Ministry of Culture and Heritage is responsible for heritage properties such as this memorial.

Administration

Ministry for Culture and Heritage

The Ministry for Culture and Heritage Te Manatū Taonga (MCH) is one of many agencies through which government manages its involvement with culture. Its role is “to recognise, celebrate, and promote culture and heritage – putting them at the forefront of living in New Zealand and therefore enriching our nation”.

Other organisations also supply cultural services to the Crown. For example, Te Puni Kōkiri (Ministry of Māori Development), Archives New Zealand, and the National Library provide advice and services to government in their areas of responsibility. However, the MCH is government’s key adviser across the broad range of culture and heritage issues.

The ministry serves the government of the day by implementing and overseeing its cultural support programme. It advises on the programme’s shape, which includes identifying new opportunities to contribute to cultural and other objectives.

MCH advises on funding, legislation, organisational arrangements, and on implementing cultural initiatives. It also provides input to other government work where a cultural perspective is desirable.

The ministry administers the funding of, and monitors and supports the work of, cultural and broadcasting agencies that deliver government-funded cultural services. These range from major Crown entities, such as the Museum of New Zealand Te Papa Tongarewa (Te Papa) and NZ On Air, to small, independent, single-focus organisations like the Antarctic Heritage Trust. The MCH monitors the performance of each agency to confirm that government funding is used to support agreed outcomes, and assists with agency planning and development.

MCH also researches and produces online and published work on New Zealand history. It produces websites to provide easily accessible cultural content, and support cultural activities: New Zealand History online (www.nzhistory.net.nz) and *Te Ara – the Encyclopedia of New Zealand* (www.teara.govt.nz). It also provides content for the cultural ‘what’s on’ website Eventfinder.co.nz.

The ministry manages and maintains a number of heritage properties, including the National War Memorial, the Tomb of the Unknown Warrior, and war graves throughout the country. It also commissions new memorials, such as those in Korea (2005) and London (2007).

Te Waka Huia wins again

Te Waka Huia claimed the title of supreme winner for the fourth time at Te Matatini National Kapa Haka Festival, held in Tauranga in February 2009. Whangara mai Tawhiti was runner-up, followed by third placed Te Kapa Haka o Te Whanau a Apanui.

Te Waka Huia was established in 1981. Festival chairman Selwyn Parata said the team epitomised the high calibre skill, expertise, and discipline demanded of world-class kapa haka. “Te Waka Huia, Whangara mai Tawhiti, and Te Kapa Haka o Te Whanau a Apanui are exemplars of our indigenous innovation – which all New Zealanders can share and celebrate,” Mr. Parata said.

He also thanked the host region, Mataatua, for a “phenomenal effort” catering for the needs of a crowd that peaked at 25,000.

The four-day festival is regarded as the premier Māori cultural performing arts festival, and is the world’s largest celebration of Māori performing arts. It attracts hundreds of teams from throughout New Zealand and Australia who compete in regional competitions for the honour of being selected to represent their clubs at the national finals.

The festival is not open just to Māori, but to everyone – regardless of culture, background, or age.

While the main focus is the kapa haka competition, it is also a celebration of Māori culture and cuisine. The festivals include retail stalls, food stalls, art and craft exhibitions, education workshops, and other entertainment activities.

Te Matatini National Kapa Haka Festival is a two-yearly event, sponsored by Te Puia New Zealand Māori Arts and Crafts Institute and the University of Waikato, in association with the Ministry of Culture and Heritage and Te Puni Kōkiri.

Source: Te Matatini

Events websites join forces

In December 2009, two New Zealand online events calendars joined forces to create a single, comprehensive website serving the cultural sector.

The privately operated Eventfinder.co.nz and government-operated NZLive.com negotiated a private-public partnership that combines the power of Eventfinder's world-class technology with the editorial and cultural content expertise of the Ministry for Culture and Heritage. The partnership merges the websites' respective 85,000 and 162,000 visitors per month under the Eventfinder.co.nz brand.

The combined audience is expected to cement Eventfinder.co.nz's position as one of New Zealand's top 30 websites.

The Ministry for Culture and Heritage's chief executive Lewis Holden said the "bigger, better website" was good for all involved.

"It's good for artists and arts organisations because they get maximum exposure by entering their events for free in one place and having them appear in many places; it's good for cultural consumers here and overseas because they have one great site where they can find out what's on; and it's good for all New Zealanders because it's a smart, cost effective solution," Mr Holden said.

Eventfinder chief executive Michael Turner said one of the main benefits was bringing the two website audiences to one destination.

"The events content that was on Eventfinder.co.nz and NZLive.com is syndicated to a range of other websites. Combining the sites makes the events and attractions available across many more sites including Stuff, NZ Herald, Yahoo!Xtra, MSN NZ, AA Travel, Jasons, Tourism New Zealand, Air New Zealand, and the MetService. And all of these websites now have the benefit of truly comprehensive, national events coverage," Mr Turner said.

The service will continue to be provided free to arts and cultural organisations.

Source: Ministry for Culture and Heritage; Eventfinder

MCH administers laws aimed at protecting objects and symbols of national identity, and promoting New Zealand's heritage. They include the Protected Objects Act 1975, the Flags, Emblems and Names Protection Act 1981, and the Waitangi Day Act 1976.

The ministry is also the lead agency for the Cultural Diplomacy International Programme, in collaboration with the Ministry of Foreign Affairs and Trade, New Zealand Trade and Enterprise, and Tourism New Zealand. This programme aims to establish and maintain a cultural presence in key overseas regions or countries, to boost New Zealand's profile; and economic, trade, tourism, diplomatic, and cultural interests.

The Ministry works with the cultural sector to build a thriving culture; to preserve New Zealand's culture and heritage; and to encourage New Zealanders to value their arts, heritage, broadcasting, and sport.

MCH's budget for 2009/10 was \$15.58 million, including \$98,000 for recreation and sport.

MCH makes information on cultural activities available to the New Zealand public by publishing statistics and research reports. Recent reports include *Cultural Statistics for New Zealand Tohu Ahurea mō Aotearoa 2009* and *Cultural Organisations: Giving and sponsorship research report* (2010).

Table 12.01

Government funding for the arts, culture, and heritage sector

Year ending 30 June 2009

	Government funding \$(000)
Broadcasting Commission (NZ On Air)	112,457
National Library of New Zealand	61,768
Regional museums (for construction projects)	29,547
Television New Zealand Ltd	28,868
Museum of New Zealand Te Papa Tongarewa	23,574
Archives New Zealand	22,776
Arts Council of New Zealand Toi Aotearoa (Creative New Zealand)	15,937
Ministry for Culture and Heritage	13,643
New Zealand Symphony Orchestra	13,446
New Zealand Historic Places Trust	11,988
Museum of New Zealand Te Papa Tongarewa (capital contribution)	10,000
Freeview (platform funding)	5,000
New Zealand Film Commission	3,611
Royal New Zealand Ballet	3,534
National Pacific Radio Trust	2,700
Commonwealth War Graves Commission	2,374
New Zealand Screen Production Incentive Fund	2,000
Radio New Zealand International	1,900
New Zealand Music Commission	1,378
Te Matatini	1,248
New Zealand Film Archive	1,070
Broadcasting Standards Authority	609
Antarctic Heritage Trust	526
Maintenance of war graves, historic graves, and monuments	513
New Zealand Historic Places Trust (capital contribution)	500
Kerikeri heritage bypass	287
Treaty of Waitangi celebrations	287
Protection of taonga tūturu	115
National War Memorial deferred maintenance	28

Source: Ministry for Culture and Heritage

Creative New Zealand

Creative New Zealand Arts Council of New Zealand Toi Aotearoa (CNZ) is the national agency for developing the arts. Established as a Crown entity under the Arts Council of New Zealand Toi Aotearoa Act 1994, its statutory purpose is to encourage, promote, and support the arts in New Zealand for the benefit of all New Zealanders, including both community and professional arts, both at home and internationally.

According to the Act, CNZ must recognise: the cultural diversity of the people of New Zealand, the role of Māori in the arts, and the arts of the Pacific peoples of New Zealand. It is also required to:

- support initiatives that encourage participation in the arts
- support making projects of merit available to communities or sections of the population that would otherwise not have access to them
- support activities of artistic and cultural significance that develop the creative potential of artists and art forms
- maintain and develop a professional arts infrastructure, both at national and community levels
- promote New Zealand's arts and artists locally, nationally, and internationally.

CNZ's governing body is the New Zealand Arts Council and its three funding bodies are the Arts Board, Te Waka Toi (the Māori Arts Board), and the Pacific Arts Committee.

Staff in Wellington, Christchurch, and Auckland offer services which include funding advice, professional development opportunities, arts advocacy, research, communications, and information services.

Funding comes from the government through the Vote Arts, Culture and Heritage allocation and from the New Zealand Lottery Grants Board.

All CNZ's work is guided by its strategic plan, *Te Mahere Rautaki 2007–2010*. Its four strategic priorities are to ensure: New Zealanders are engaged in the arts, high-quality New Zealand art is developed, New Zealanders have regular access to high-quality arts experiences, and New Zealand art gains international success.

Funding The majority (80 percent) of CNZ's budget of approximately \$40 million is distributed to artists, arts practitioners, and arts organisations through four key funding programmes.

- Recurrent Funding – is provided to key arts organisations to support a sustainable infrastructure. In 2008/09, 35 organisations received recurrent funding.

Image removed due to copyright issues

Andy Stagg

Francis Upritchard was one of the two artists representing New Zealand at the 2009 Venice Biennale. Her work Save Yourself 'Long' is shown here installed at the Fondazione Claudio Buziol, located in the 18th-century Palazzo Mangilli-Valmarana on Venice's Grand Canal. This was New Zealand's fourth participation at the biennale, supported by Creative New Zealand.

- **Contestable Funding** – is available through a variety of programmes to artists, arts practitioners, and arts organisations. CNZ received 1,264 applications through contestable funding rounds in 2008/09, with 436 projects and 12 bursaries, scholarships, and residencies receiving grants.
- **Creative Communities Scheme** – is a small-grants scheme that supports community arts projects and activities that take place within a territorial authority's area. CNZ devolves the funding to 73 local authorities who administer the scheme themselves or through suitable third parties. In 2008/09, 2,333 projects were supported through this scheme.
- **International Funding Programme** – identifies opportunities to market and present New Zealand work internationally at key events and markets. CNZ selects and invests in individual artists, practitioners, organisations, or clusters of artists through several initiatives. These include support to tour, exhibit, or perform internationally, or for a New Zealand work to be performed by an overseas artist or company.

Capability-building CNZ provides capability-building programmes in leadership, governance, internal organisational systems and processes, audience development, and market development. In 2008/09 nine capability initiatives were provided through two key programmes, the Arts Organisation Development Programme and the Audience Development Programme. One highlight was the 21st Century Arts Conference, in June 2009. The conference focused on understanding audiences and people's motivations for attending the arts. It also looked at the importance of branding to an organisation. The conference was attended by more than 150 arts leaders, including performing and visual arts practitioners, policy-makers, and local funders.

Advocacy CNZ's advocacy programme aims to raise awareness of the role and contribution of the arts, and of key issues affecting the sector, and also to seek to change the environment for the benefit of the arts.

Research In 2008/09 CNZ published *New Zealanders and the Arts: Attitudes, attendance and participation*. This research compared the role the arts played in people's lives, and updated a 2005 survey.

Contributors and related websites

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Publishers Association of New Zealand – www.bpanz.org.nz

Booksellers New Zealand – www.booksellers.co.nz

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Hocken Collections – www.library.otago.ac.nz

Library and Information Association of New Zealand Aotearoa – www.lianza.org.nz

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Statistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

Otago Daily Times

Davey Robinson rides on the mountain slopes above Lake Wanaka, testing a summer alternative to winter skiing, snowboarding, and climbing in the area. The Southern Alps, which form the backbone of the South Island, offer challenging climbs, high-altitude walking tracks, and from June to late October include access to commercial skiing.

13 | Leisure and tourism

Sport and physical recreation

Sport and physical recreation play a huge part in the lives of most New Zealanders. The activities have a positive impact on the nation's well-being and create a sense of community and nationhood.

Sport and physical recreation activities provide opportunities for New Zealanders to express and reinforce their cultural identity. They also contribute to community development and to economic growth. Outdoor physical recreation is very popular in New Zealand's scenic natural environment.

Ensuring physical activity remains popular and sustainable is part of the broad mandate of Sport and Recreation New Zealand (SPARC). SPARC works with partners to create opportunities for all New Zealanders to be active, and to reach their potential in their chosen sport or physical activity.

Sport and Recreation New Zealand

Sport and Recreation New Zealand (SPARC) is dedicated to getting New Zealanders enjoying and excelling through sport and recreation. It does this by providing everyday ways to participate in physical activity, and getting more New Zealanders winning on the world stage.

SPARC invests \$70 million each year to achieve its vision: "Everyone. Every day. Enjoying and excelling through sport and recreation".

To achieve this SPARC focuses on five priority areas:

- young New Zealanders (0-18 years) – ensuring more Kiwi kids develop a life-long love of sport and recreation
- grassroots sport – ensuring great delivery of local sport through national organisations, clubs, schools, and volunteers
- recreation – supporting a vibrant and coordinated recreation sector
- partner capability – providing partners in sport and recreation with the leadership, skills, and tools to be able to consistently deliver services
- high performance – to ensure talented athletes are identified and supported on the path to international success.

SPARC invests in organisations that contribute to achieving these priorities, and partners with national sports organisations, national recreation organisations, regional sports trusts, and other organisations with the capability and programmes to get people moving.

Measuring physical activity rates The 2007/08 Active New Zealand Survey is the key measure of participation in sport and recreation for New Zealanders aged 16 years and over. The survey collects data on each participant's involvement in sport and recreational activities over the previous 12 months, over the past four weeks, and over the past seven days. The survey asks respondents if they belong to clubs, participate in organised competitions, receive coaching, or are involved in sport and recreation volunteering. This provides national and regional sporting organisations with important information.

The 2007/08 survey was designed to provide quality information. Each participant completed a seven-day physical activity recall diary, to provide a detailed picture of their sport and recreation participation. The survey recorded the activities undertaken each day and the associated intensity and duration of that activity.

New Zealand Academy of Sport (NZAS) The academy provides a comprehensive network of world-class expertise, services, and facilities for New Zealand's best athletes, promising young athletes, and their coaches.

The NZAS provides technical support for high-performance programmes at national sporting organisations. It also offers support services in sports science, sports medicine, and athlete and career education to eligible national sports organisations, athletes, and coaches.

To access services, athletes need to be recognised at one of four levels – world, international, development, or junior. Athletes at these levels receive a card and are entitled to access services from the academy in accordance with their sport's service agreement.

The NZAS is funded by government. SPARC spent about \$38 million on high-performance sport in 2008/09.

A separate Prime Minister's Scholarship fund is managed by SPARC and administered by the NZAS. The \$4.25 million programme enables talented New Zealanders to study at tertiary level while developing skills that contribute to sporting performance at the elite level. The scholarships are available to athletes, coaches, support team members, and officials, to help them with professional development.

In 2009, 380 athletes, 28 coaches, 23 officials, and 41 support team members were awarded scholarships.

Kiwis take action

Walking tops the list of sport and recreation activities adult New Zealanders participated in over a 12-month period.

That's one finding from the 2007/08 Active New Zealand Survey, which was carried out by Sport and Recreation New Zealand (SPARC) to examine sport and recreation participation and activity levels among New Zealanders aged 16 years and over.

The top 10 activities adults took part in were: walking (64.1 percent), gardening (43.2 percent), swimming (34.8 percent), equipment-based exercise (26.5 percent), cycling (22.7 percent), fishing (19.3 percent), jogging/running (17.5 percent), dance (16.8 percent), golf (12.7 percent), and tramping (9.4 percent).

For the survey, 4,443 adult New Zealanders were asked what sport and recreational activities they had participated in over 12 months. The survey also assessed the intensity at which they took part, whether they were members of clubs or centres for sport and recreation activities, and if they volunteered in sport and recreation.

The survey covered everyone from 16-year-old school students to 77-year-old grandmothers.

Six of the top 10 activities were the same for men and women. These were: walking, gardening, swimming, equipment-based exercise, cycling, and jogging/running.

When split by sex, activities popular with women included dance, pilates/yoga, aerobics, and netball.

Image removed due to copyright issues

The Dominion Post

Sister Loyola is an award-winning gardener who keeps the garden at Wellington's Home of Compassion in top shape. Gardening is a top-10 sport and recreation activity for both women and men, and is the second-most popular activity for people aged 65 and over.

Fishing, golf, cricket, and football were popular with men.

The survey also looked at results for different age groups. With the youngest age group, those aged 16 to 24 years, popular sports were basketball,

rugby, touch, and tennis. The top two activities for those in the 65 years plus age group were walking and gardening.

More results from the survey are available on the SPARC website (www.sparc.org.nz).

Source: Sport and Recreation New Zealand

New Zealanders at the Olympics

New Zealanders first competed in the Olympic Games at London in 1908, combining with Australians to compete as Australasia until 1920 in Antwerp.

New Zealand has been represented at each Olympic Games since 1924, including as individuals at the 1980 Moscow Games, which were officially boycotted by New Zealand in response to the USSR's invasion of Afghanistan.

New Zealand's Olympic gold medal roll of honour

Year	Venue	Gold medal winners	Sport	Event
1908	London	–		
1912	Stockholm	Malcolm Champion	swimming	4 x 200m freestyle relay as member of Australasian team
1916	Berlin	–		
1920	Antwerp	–		
1924	Paris	–		
1928	Amsterdam	Ted Morgan	boxing	welterweight
1932	Los Angeles	–		
1936	Berlin	Jack Lovelock	athletics	1,500m
1948	London	–		
1952	Helsinki	Yvette Williams	athletics	long jump
1956	Melbourne	Peter Mander, Jack Cropp	yachting	sharpie
1960	Rome	Peter Snell	athletics	800m
		Murray Halberg	athletics	5,000m
1964	Tokyo	Helmer Pedersen, Earle Wells	yachting	flying dutchman
		Peter Snell	athletics	800m and 1,500m
1968	Mexico City	Simon Dickie (cox), Warren Cole, Ross Colinge, Dick Joyce, Dudley Storey	rowing	coxed fours
1972	Munich	Simon Dickie (cox), Trevor Coker, Athol Earle, John Hunter, Tony Hurt, Dick Joyce, Gary Robertson, Wybo Veldman, Lindsay Wilson	rowing	eights
1976	Montreal	Paul Ackerley, Jeff Archibald, Thur Borren, Alan Chesney, John Christensen, Greg Dayman, Tony Ineson, Alan McIntyre, Barry Maister, Selwyn Maister, Trevor Manning, Arthur Parkin, Mohan Patel, Ramesh Patel	hockey	
		John Walker	athletics	1,500m
1980	Moscow	–		
1984	Los Angeles	Grant Bramwell, Ian Ferguson, Paul MacDonald, Alan Thompson	canoeing	K4 1,000m
		Russell Coutts	yachting	finn
		Ian Ferguson	canoeing	K1 500m
		Ian Ferguson, Paul MacDonald	canoeing	K2 500m
		Shane O'Brien, Les O'Connell, Conrad Robertston, Keith Trask	rowing	coxless fours
		Rex Sellers, Chris Timms	yachting	tornado
		Alan Thompson	canoeing	K1 1,000m
		Mark Todd (on Charisma)	equestrian	individual three-day event
1988	Seoul	Ian Ferguson, Paul MacDonald	canoeing	K2 500m
		Bruce Kendall	yachting	boardsailing
		Mark Todd (on Charisma)	equestrian	individual three-day event
1992	Barcelona	Barbara Kendall	yachting	boardsailing
1996	Atlanta	Danyon Loader	swimming	200m and 400m freestyle
		Blyth Tait (on Ready Teddy)	equestrian	individual three-day event
2000	Sydney	Rob Waddell	rowing	single sculls
2004	Athens	Hamish Carter	triathlon	individual men
		Sarah Ulmer	cycling	individual pursuit
		Georgina Evers-Swindell, Caroline Evers-Swindell	rowing	double sculls
2008	Beijing	Thomas Ashley	sailing	RS:X windsurfer
		Caroline Evers-Swindell, Georgina Evers-Swindell	rowing	double sculls
		Valerie Vili	athletics	shot put

Symbol: – none

Source: New Zealand Olympic Committee

Transplant no handicap for athletes

Image removed due to copyright issues

The Dominion Post

In August 2009, 2,000 athletes from around the world headed to the Gold Coast to compete in the 17th World Transplant Games. They all had one thing in common – each had received an organ transplant.

Wellingtonians Alan Power and Debra Anderson (above) were part of the 24-member Kiwi team. Mrs Anderson was diagnosed with leukaemia when she was 21 and had her first bone marrow transplant when she was 27. This was her first time at the games. Mr Power, who had a heart transplant in 2003, had competed twice before and won a gold medal in Thailand for doubles tennis.

The first World Transplant Games were in Portsmouth in 1978, and had teams from France, Germany, Greece, and the United States. The games have grown considerably since then and now attract around 3,000 competitors from up to 70 countries. The summer games happen every two years, with the winter games in the intervening years.

Athletes are of all ages, and anyone can participate provided they have received a life-saving organ transplant at least one year before the games take place. Participants must be medically fit to take part, with no significant complications from their transplant surgery. To be eligible, athletes must have had a kidney, liver, heart, lung (single or double), bone marrow, or pancreas transplant.

Sports at the games include 10-pin bowling, tennis, volleyball, a mini-marathon, athletics, swimming, table tennis, badminton, squash, golf, lawn bowls, and cycling.

As the single biggest organ donation and transplantation awareness event in the world, the games provide an ideal way of showing the world what a difference organ donation can make.

In New Zealand, about 30 to 40 deceased people donate organs each year. Other patients receive organs from living donors.

Source: www.stuff.co.nz; Organ Donation New Zealand

Sport and physical recreation in the community

Active Communities SPARC supports local government's community development, and recreation and transportation planning. SPARC's Active Communities initiative provides investment that enables communities to become more active, more often. Nearly 70 local authorities receive investment and services from SPARC.

Coaching Quality coaches have a positive impact on their communities. Their work has a huge influence on the lives and values of those they come into contact with.

The New Zealand Coaching Strategy was developed by coaches to meet the needs of both coaches and athletes. It has a coordinated coaching approach that links regional and national activities and outcomes. SPARC creates opportunities for coaches at all levels of experience to develop and share their knowledge – opportunities include coaching communities and flexible learning experiences.

CoachForce is a nationwide programme that provides the 'workforce' to support coaches, regional coach development, and education programmes.

CoachCorp is a SPARC programme that gets employees out of the office and into volunteering – as coaches, managers, and officials, and with the support of employers (who provide flexitime).

CoachCorp aims to increase the number and quality of coaches, and to get more people into sport and physical recreation by building relationships between companies and community sport.

Te Roopu Manaaki This advisory board of national and regional representatives provides strategic advice about Māori issues to SPARC's board. It also provides assistance to He Oranga Poutama, an initiative targeted at sport and recreation for Māori.

Te Roopu Manaaki's functions are to:

- ensure all SPARC activities are culturally appropriate to Māori
- provide strategic advice to SPARC to increase Māori participation in sport and recreation
- communicate with iwi (tribes), hapū (subtribes), and individual Māori, and encourage interested groups to participate.

The **Sir Edmund Hillary Outdoor Recreation Council** This council advises SPARC on strategic and investment decisions relating to outdoor recreation. The council provides leadership and advice on promoting participation in outdoor recreation, on developing a sector-wide approach for outdoor recreation, and on improving collaboration and coordinated planning within the sector and with other relevant sectors.

Young people SPARC coordinates the Active Children initiative to help 5–18-year-olds be active for 60 minutes a day. Active Movement Kōringa Hihiko supports teachers and parent of under-fives by providing quality movement activities for young children. The Active Schools and Sportfit resources are used to encourage students' long-term commitment to being physically active.

KiwiSport is a Government fund which is being applied to engage more school-aged children in sport. It was launched in August 2009. Under KiwiSport, funding is going to schools and community projects to increase the availability of sporting opportunities for young people and to help them develop skills that enable them to participate effectively.

Image removed due to copyright issues

The New Zealand Herald

New Zealand Warriors players Manu Vatuvei (left) and Clinton Toopi offer coaching advice to Auckland school children at the start of the 2009 rugby league season.

Image removed due to copyright issues

The Press

Sia Svendsen (Denmark) clambers over rocks while taking part in the women's team two-day event of the annual Coast to Coast race. Competitors bike, run, and kayak from the South Island's West Coast to Christchurch on the east – some over two days, others in one. In 2010, the weather forced 'plan B' fully into operation for the first time in the race's 28 years.

Outdoor leisure activities

Physical recreation

Cycling Up to 1.3 million New Zealanders ride bikes each year – in commuting to work, going cross country through national parks, bunch riding through the city, down at the local BMX park with the kids, and in competing on the world stage. Since 2000, there has been an 80 percent increase in the number of recreational cyclists in New Zealand.

The New Zealand landscape creates some of the world's most outstanding mountain bike rides, including Woodhill Forest near Auckland, Whakarewarewa in Rotorua, the Karapoti Classic near Wellington, the Otago Central Rail Trail from Clyde to Middlemarch, and the tracks around Lake Wanaka. The New Zealand Cycle Trail, a nationwide network of off-road cycle trails launched by Prime Minister John Key in November 2009, will be an important asset to attract both domestic and international tourists to discover New Zealand by bike.

BikeNZ Inc represents the interests of several cycling organisations, including BikeNZ Road & Track, Mountain Bike NZ, BMX New Zealand, and the New Zealand Schools Cycling Association. BikeNZ has about 8,000 members and is affiliated to the International Cycling Union.

To create a community for the growing number of recreational cyclists, and to further build cycling in New Zealand, BikeNZ launched a website in 2008 (www.ridestrong.org.nz), and counted 14,000 members in under one year.

In 2009, BikeNZ further established itself on the world stage, with New Zealand cyclists winning 18 world championship titles. The 15 world champions included track cyclist Alison Shanks and BMX rider Sarah Walker.

Mountaineering New Zealand provides a superb environment for mountaineering. The mountains are a dominant feature of the New Zealand landscape, with both islands providing opportunities for climbers of all abilities. The South Island is well known for the spectacular Southern Alps, which form the backbone of the island. They offer an impressive selection of challenging climbs, with 19 peaks over 3,000 metres high, including the well known Aoraki-Mt Cook, New Zealand's highest mountain (3,754 metres).

Most tracks are accessible year-round, although some of the high-altitude tracks in the South Island are restricted by winter weather. Commercial guides are available and specialist companies run courses covering a range of climbing experiences. The climbing season is generally November to March, but for experienced climbers this can continue into winter, where there can be extended calm, fine spells. However the New Zealand climate can be changeable, with winds and storms picking up extremely quickly.

Skiing and snowboarding The skiing and snowboarding season extends from June to late October/early November, with many ski areas in both the North Island and South Island having snowmaking equipment to ensure reliable snow depth and quality. New Zealand has 13 commercial ski areas, 11 club ski fields, one commercial cross-country ski area, and a commercial indoor ski slope in Auckland.

New Zealand Cycle Trail

The New Zealand Cycle Trail emerged as one of the ideas from the Prime Minister's Job Summit in February 2009.

The idea was seen as a valuable new asset for the tourism industry, and a chance to boost regional economic activity and create jobs.

"I see the national cycleway developing from a series of 'great rides' through some of New Zealand's most beautiful scenery," Prime Minister John Key said. "Our long-term goal is to create a network that links these rides into a uniquely New Zealand set of cycling experiences that connect and pass through our cities."

The Government invited local authorities, community organisations, tourism operators, and cycling groups to develop proposals, raise funds, and submit ideas to the Ministry of Tourism for consideration.

In the 2009 Budget, the Government set aside \$50 million over the next three years to make progress on the National Cycle Trail.

A month later, with support from the Green Party, Mr Key announced that seven tracks proposed by local authorities and the Department of Conservation had been selected for a possible 'quick start' in the 2009/10 summer.

In November, construction began on the first stretch of the trail – alongside the Waikato River. Soon after, work started on the Tongariro and Whanganui National Parks Trail, the Central North Island Rail Trail, and the St James Trail in the northern South Island.

The cycle trail's brand, Nga Haerenga (the journeys), will be used in track signage and for offshore marketing – in conjunction with the 100% Pure New Zealand campaign.

The New Zealand Cycle Trail will continue to develop in future years.

Source: www.beehive.govt.nz

Whale Watch Kaikoura wins top award

Whale Watch Kaikoura won the supreme prize at the Virgin Holidays Responsible Tourism Awards in November 2009. It also took top honours in the 'best in a marine environment' category. The awards were part of World Responsible Tourism Day at the World Travel Market in London.

Whale Watch Kaikoura's chief operating officer Kauahi Ngapora said it was an honour to represent New Zealand at the prestigious awards, which he described as the Oscars of responsible tourism. He said the achievement endorsed the company's commitment to responsible and sustainable tourism and to the 'five Cs' underpinning their business decision making – conservation, community, culture, customer, and company.

Whale Watch is owned and operated by the Kati Kuri hapū, a sub-tribe of the South Island's Ngai Tahu iwi.

The company takes daily tours out to sea from Kaikoura to spot the region's resident sperm whales, the biggest of the toothed whales and the world's largest carnivores. During tours, visitors can also encounter New Zealand fur seals, pods of dusky dolphins, and the endangered wandering albatross.

In 2010, the business expects to take more than 100,000 people on whale-watching trips.

Whale Watch Kaikoura was one of 35 organisations shortlisted for the responsible tourism honours, and among hundreds around the world nominated for the prestigious awards. The Kaikoura operation edged out tourism giants and fellow finalists that included the city of Cape Town, Royal Caribbean Cruises, and SeaFrance.

It is often individual companies, big and small, that embody responsible tourism in New Zealand.

However, the launch of Qualmark Green in 2008 has further embedded environmental practices across the industry. By providing minimum criteria for environmental performance across all Qualmark assessments, the programme is raising awareness of what businesses can and should be doing.

When businesses that achieve above the criteria are recognised with an enviro rating, tourists can choose to support those that have responsible tourism as a goal. Qualmark aims to make responsible tourism a national standard.

In Qualmark Green's first 12 months, 200 tourism businesses gained an enviro rating; 50 immediately rated as gold.

Source: www.stuff.co.nz; Tourism New Zealand

In the North Island, the main snow sports centre is Mt Ruapehu in the Tongariro National Park. There are two commercial ski areas, Whakapapa and Turoa, and one club field at Tukino. The Maunganui Ski Club operates on Mt Egmont/Taranaki. In the South Island, the commercial ski areas are in the Queenstown/Wanaka area at Coronet Peak, the Remarkables, Cardrona, Treble Cone, Snow Park, and Snow Farm; in the Aoraki/McKenzie area at Ohau, Mt Dobson, and Round Hill; and in Canterbury at Porters, Mt Hutt, and Mt Lyford.

There are nine club fields in the South Island. The Snow Farm, on the Pisa Range near Queenstown/Wanaka, offers 50 kilometres of cross-country skiing. Glacier skiing on the Tasman and Fox Glaciers is accessible by ski-plane and helicopter. Guided heli-skiing and ski touring give access to the Ben Ohau Ranges, the Harris Mountains, the Two Thumb Range, the Aoraki-Mt Cook/Tasman Glacier area, Mt Hutt, and Queenstown. The International Ski Federation has authorised annual international snow sports competitions at Whakapapa, Mt Hutt, Turoa, Coronet Peak, Cardrona, Snow Park, Snow Farm, and Treble Cone.

Tramping/hiking The closeness of mountains and forests to urban centres gives New Zealanders the opportunity to get away from the cities and enjoy nature. There are many tracks through beautiful scenery – the Waitakere and Hunua Ranges near Auckland, the many national and forest parks and reserves of the North Island, and the extensive parks and protected natural areas of the South Island. Tramping tracks range from half-day, family-oriented walks to challenging tramps in back-country and alpine isolation.

The Great Walks are New Zealand's most famous tramping tracks. They include Lake Waikaremoana in Te Urewera National Park, Tongariro northern circuit in Tongariro National Park, Abel Tasman Coast Track in Abel Tasman National Park, Heaphy Track in Kahurangi National Park, Routeburn Track in Mt Aspiring and Fiordland National Parks, Milford and Kepler Tracks in Fiordland National Park, and Rakiura Track in Rakiura National Park.

The Routeburn Classic is an annual 38-kilometre race that attracts both international and domestic competitors wanting to run this Great Walk – in around three hours.

Most tracks take three to four days to complete and are well marked. Huts and campsites are provided for overnight accommodation. The Abel Tasman Coast Track is the most popular, with about 30,000 overnight visitors a year. Information on tramping is available from commercial guiding companies and the Department of Conservation.

Walking Government agencies and local authorities develop and maintain public walking tracks throughout New Zealand. The walkways system offers walking opportunities over primarily private land, and complements the network of back-country tramping tracks. Walkways vary from half-hour walks, to four or five days for the St James Walkway in North Canterbury.

Fishing and hunting

Big-game fishing Warm waters off the east coast of the North Island provide some of the best surf, line, and spear fishing in the world. The main bases for line fishing from charter boats are at Whangaroa, Bay of Islands (Russell, Otehei Bay, and Waitangi), Tutukaka, Mercury Bay (Whitianga), and Tauranga (Mayor Island).

The most-prized catches are broadbill, black marlin, striped marlin, and blue marlin. Other types of big-game fish found in New Zealand waters are tiger shark, hammerhead shark, mako shark, thresher shark, kingfish (yellow tail), and tuna. Best catches are usually made in February, but fishing is good from December to April.

Freshwater fishing Rainbow and brown trout are found in most lakes and rivers of both the North Island and South Island. The South Island also has sea-run brown trout in western coastal rivers, sea-run quinnat salmon in eastern coastal rivers, and land-locked salmon in several waterways.

Average trout size varies depending on environment, climate, food, and the number of anglers.

Shooting and hunting New Zealand's principal game birds are duck, swan, pheasant, quail, geese, and chukar (partridge). The season traditionally starts on the first weekend in May and extends for six to eight weeks for most species, depending on the region. Special seasons for paradise shelduck and geese are run on a regional basis. Daily bag limits apply in most regions.

Deer of several species, chamois, tahr, wild pigs, goats, and wallabies are numerous in several areas.

There are few restrictions on big game hunting and there is generally no limit on the number of big game animals that can be taken. The season is open for most species all year round. For tourists and inexperienced hunters, the service of an experienced guide is recommended.

Fish and Game New Zealand This organisation is responsible for protecting, managing, and enhancing freshwater sport fishing and game-bird hunting on behalf of anglers and hunters.

With the exception of the Lake Taupō fishery, which is managed by the Department of Conservation, all trout and salmon fisheries are managed by Fish and Game New Zealand. A licence is required for all sport fishing and game-bird hunting, and permits are required to hunt big game in some areas.

Image removed due to copyright issues

Herald on Sunday

At Piha near Auckland, visitors play a traditional summer game of beach cricket – all that's needed is a bat, a ball, driftwood for wickets, enthusiasm, and a beach.

Public conservation land

The Department of Conservation (DOC) is charged with fostering and promoting recreation, and making areas of public conservation land accessible for the enjoyment and appreciation of all.

This involves providing and maintaining tracks, huts, and other amenities for visitors. The department is responsible for 13,300 kilometres of walking tracks, 938 huts, 1,710 toilets, 665 car parks, 420 amenity areas, 13,600 bridges, boardwalks, and other structures, 17,400 signs, and 323 campsites.

It is estimated that at least 20 percent of New Zealand residents visit one or more national parks in a year, and 30 percent of international visitors to the country visit at least one national park during their stay.

Commercial operations exist on some of the Great Walks and at many other DOC-managed locations. Commercial tourism operators work hand-in-hand with the department, enabling a wider range of recreational opportunities to be enjoyed. DOC regards public enjoyment of national parks, other conservation areas, historic reserves, and marine reserves as a key part of its conservation role.

Racing and gaming

Racing

The New Zealand racing industry is a major contributor to the country's economy and to local communities. Racing generates more than \$1.4 billion each year, and creates the equivalent of 18,300 full-time jobs. Accommodation, travel, fashion, and entertainment providers also benefit from the industry. In 2009, more than 1 million people attended race meetings across New Zealand, spending more than \$162 million on bets, food, and beverages.

A major source of funding for the racing industry is the return from betting on racing and sports, which is administered by the New Zealand Totalisator Agency Board (TAB), the retail arm of the New Zealand Racing Board.

There are 69 thoroughbred, 51 harness, and 12 greyhound clubs licensed to race in New Zealand, with racecourses situated in 59 locations. In the racing year, from August 2008 to July 2009, 10,001 races were held throughout the country.

The bloodstock industry is of international importance to New Zealand, with the sale of horses for export – mainly to Australia and Asia – generating more than \$145 million a year. New Zealand-bred runners compete very well overseas and regularly win major races.

New Zealand Racing Board The New Zealand Racing Board facilitates all racing and sports betting in New Zealand. Under the Racing Act 2003, the board is responsible for facilitating and promoting racing and sports betting to maximise profits for the long-term benefit of New Zealand racing and those who derive their livelihood from the industry.

Image removed due to copyright issues

The Dominion Post

Allan Edwards settles in for a day at the Tauherenikau races. Every new year's day, punters travel from around Wairarapa and over the hill from Wellington for a 'flutter' and family entertainment in the sun.

The New Zealand Racing Board coordinates:

- the TAB – which runs all betting on racing and sport in New Zealand
- the three racing codes – New Zealand Thoroughbred Racing (gallops), Harness Racing New Zealand (trotting and pacing), and New Zealand Greyhound Racing (greyhounds)
- the Judicial Control Authority – the legal body that administers the rules of racing and conducts inquiries into breaches of the rules for all three codes.

Totalisator Agency Board (TAB) The New Zealand Racing Board's income comes from betting revenue from the TAB. There are 750 TAB outlets throughout New Zealand, as well as on-course tote terminals, Internet, Phonebet, Touch Tone, and SKYbet betting channels. More than 100,000 TAB account holders use the TAB's electronic Touch Tone, Phonebet, and Internet services.

The TAB offers a wide range of totalisator and fixed odds betting products. Just over 80 percent of the betting dollar is returned to the customer. The rest goes to the racing and sporting codes, after tax, and New Zealand Racing Board costs. In 2008/09, \$137.5 million was returned to the New Zealand racing industry and more than \$2.1 million was paid to New Zealand's national sporting bodies.

Trackside Television and Radio Trackside The New Zealand Racing Board owns Trackside Television and Radio Trackside, which have a combined audience of more than 250,000. Trackside Television broadcasts every race the TAB takes bets on and has the highest proportion of home-grown content of any New Zealand channel. Trackside Live broadcasts live action and racing information 24 hours a day, seven days a week.

Table 13.01

Non-inflation adjusted gambling statistics					
By gambling outlet					
Year ending 30 June ⁽¹⁾					
Gambling outlet	2000	2005	2006	2007	2008
\$(million)					
Racing⁽²⁾					
Expenditure ⁽³⁾	227	247	258	269	273
Dividends	931	1,026	1,106	1,166	1,255
Turnover ⁽⁴⁾	1,158	1,273	1,364	1,436	1,528
New Zealand Lotteries Commission					
Expenditure ⁽³⁾	277	280	321	331	346
Prizes	348	350	398	414	432
Turnover ⁽⁴⁾	625	630	719	745	778
Gaming machines (outside casinos)					
Expenditure ⁽³⁾	450	1,027	906	950	938
Casinos					
Expenditure ⁽³⁾	343	472	493	469	477
Total expenditure	1,297	2,027	1,977	2,020	2,034

(1) Balance dates for different gaming operators can differ from 30 June (no adjustment has been made for this). (2) Racing data for 2000 onwards is not strictly comparable with previous years. (3) Expenditure is the amount lost or spent by players, or the gross profit of the gaming operator. (4) Turnover is the total gross amount wagered by punters. It includes re-investment, where the same dollar is counted more than once. Turnover does not indicate the amount spent by players or the profit of the operator.

Note: Figures may not add to stated totals due to rounding.

Source: Department of Internal Affairs

Lotteries and gaming

The Gambling Act 2003 aims to minimise or prevent harm or distress of any kind, including personal, social, or economic harm that is caused, or exacerbated by, a person's gambling. Its purposes are to:

- control the growth of gambling
- prevent and minimise the harm caused by gambling, including problem gambling
- authorise some gambling and prohibit the rest
- facilitate responsible gambling
- ensure the integrity and fairness of games
- limit opportunities for crime or dishonesty
- ensure profits from gambling benefit the community
- facilitate community involvement in decisions about the provision of gambling.

The Act's risk-based approach to gambling regulation makes it harder to get licences to operate more harmful forms of gambling, and imposes additional obligations on those forms.

City and district councils control the number of gaming machines in their area and decide the location of gambling venues. The Department of Internal Affairs is responsible for licensing, auditing, reporting, and other controls on gaming machines in pubs and clubs to ensure that profits go to community groups.

Problem gambling is a public health issue and the gambling sector is required to pay a levy to cover the cost of a problem gambling strategy. The Act established the Gambling Commission, which has an appeal function and a role in regulating casinos. The Act also prohibits any new casino licences being issued and prevents existing casinos from expanding their gambling operations.

New Zealand Lotteries Commission (NZ Lotteries) is responsible for promoting and conducting New Zealand lotteries. Net profits from NZ Lotteries' games are distributed to arts, sports, charitable, and community causes by the New Zealand Lottery Grants Board. In the year ending 30 June 2009, NZ Lotteries' sales were \$907.7 million, of which \$189.3 million was transferred to the Lottery Grants Board. This compares with sales of \$778.0 million and a transfer of \$156.8 million in the previous year.

For every dollar spent on lotteries, 56 cents is paid in prizes, 20 cents is transferred to the Lottery Grants Board, 10 cents is paid in taxes, 7 cents is paid in retail commission, and 7 cents covers operating costs. NZ Lotteries' online website, MyLotto, was launched in May 2008.

New Zealand Lottery Grants Board Te Puna Tahua is responsible for distributing profits from lotteries run by the New Zealand Lotteries Commission for the benefit of the New Zealand community. It is governed by the Gambling Act.

The board has six members – three community members appointed by the governor-general, two representatives of the prime minister and the leader of the opposition, and the Minister of Internal Affairs who chairs the board.

Social, community, arts, heritage, sport, recreation, and health research services and projects are funded through 22 lottery distribution committees and three statutory bodies – Creative New Zealand, the New Zealand Film Commission, and Sport and Recreation New Zealand.

Table 13.02

Allocation of lottery profits					
By recipient					
Year ending 30 June					
Recipient	2005	2006	2007	2008	2009
	\$(million)				
Sport & Recreation New Zealand	24.7	28.2	30.9	38.4	30.9
Creative New Zealand	18.6	18.6	21.3	27.7	22.1
New Zealand Film Commission	8.0	8.1	9.0	12.0	9.6
New Zealand Film Archive	0.6	0.6	0.7	0.9	0.7
Total	55.4	55.5	61.9	79.0	63.3
Regional community committees	15.0	17.8	22.1	26.0	25.0
National community committee	10.8	10.8	11.9	13.4	13.4
Environment and heritage	6.6	7.4	8.4	9.1	9.1
Outdoor safety committee	6.0	6.7	7.3	12.8	8.3
Marae heritage and facilities	5.0	5.5	7.0	6.9	6.9
Individuals/disabilities	3.2	3.6	6.0	4.4	4.4
Health research	2.3	2.6	2.8	3.1	3.2
Lottery community PPDF ⁽¹⁾	0.0	0.2	0.4	0.5	0.5
Minister's fund	0.2	0.2	0.3	0.3	0.4
Total	49.1	54.6	66.2	79.5	71.2
Grand total	104.5	110.1	128.2	158.5⁽²⁾	134.5⁽³⁾

(1) Pacific Provider Development Fund. (2) Community facilities (\$13 million) included. (3) Community facilities (\$13 million), community sector research (\$1.8 million), and significant projects fund (\$16 million) included.

Note: Figures may not add to stated totals due to rounding.

Source: New Zealand Lottery Grants Board

10 years young

In 2009 New Zealand's global marketing campaign – 100% Pure New Zealand – celebrated its 10th anniversary.

When the campaign launched in Queenstown in 1999, the audience was sceptical. After a series of different and disjointed campaigns, with different messages in different markets, and with a shake-up of the then New Zealand Tourism Board, there was a reputation to rebuild.

Ten years on, the campaign has proved its worth – 50 awards, a Chelsea Flower Show gold-medal-winning garden, a giant rugby ball in Paris, London, and Tokyo, thousands of advertising spots, and billions of viewers. It is seen as one of the best examples of nation branding in the world.

In late 2009, the campaign's success was recognised by the world's tourism organisations. New Zealand came out on top following a survey by the United Nations World Tourism Organization to find which countries were best at destination branding.

From the beginning, 100% Pure has sent potential travellers a clear and concise message, no matter where in the world they lived. It was simple, and it resonated with different cultures in cities as diverse as Los Angeles and Shanghai.

The campaign has evolved over time, with variations being developed for specific markets. In 2006, advertising in Australia showed New Zealand's largest tourism market that there is more to New Zealand than they might think – that they can visit more than once and experience something different each time.

Similar campaigns followed in the United Kingdom and United States. Others were developed to reach the backpackers and 'visiting friends and relatives' markets.

The campaign has also been used outside advertising. Activities around *The Lord of the Rings* trilogy, America's Cup yacht races, Chelsea Flower Show in London, the Rugby World Cup in 2007, and Lions rugby tours, have all carried the 100% Pure New Zealand brand, creating coverage of New Zealand that reached hundreds of millions.

The past 10 years have presented challenges, but 100% Pure has survived September 11, the SARS virus, increasing environmental concerns, and global recession. The consistency of 100% Pure has helped build its reputation and make it a powerful brand for New Zealand tourism.

More campaign information is available online (<http://10yearsyoung.tourismnewzealand.com>).

Source: Tourism New Zealand

The **Gambling Commission** is an independent statutory decision-making body established under the Gambling Act. The commission:

- specifies, varies, and revokes casino licence conditions
- decides on applications by the Secretary for Internal Affairs to suspend or cancel casino licences
- decides on applications for a casino operator's licence, and renewal of casino venue licences
- determines appeals against regulatory and licensing decisions made by the Department of Internal Affairs in respect of some classes of gambling
- hears complaints about the way the department has handled complaints in relation to gambling activities
- advises ministers and facilitates consultation on setting the problem gambling levy
- advises the Minister of Internal Affairs on matters relating to performance of the commission's functions and administration of the Act.

Problem gambling The Ministry of Health is responsible for funding and coordinating services and activities supporting gambling-related harm. The *Preventing and Minimising Gambling Harm Strategic Plan 2004–10* includes primary prevention and population approaches, and more selected intervention services for individuals and their families. A new strategic plan for 2010–16 is being developed. The ministry funds problem gambling services through a Vote Health appropriation, and the Crown then recovers these costs through a levy on gambling operators.

Tourism

For many, New Zealand's tourism is personified by the international visitor who is drawn by the unique environment and culture. But tourism is more diverse than this, for it also includes business travellers, those coming to study, or people visiting friends and relatives.

Also, while spending by international visitors is a major export earner, spending by domestic travellers is greater. This diversity of travellers helps explain why tourism is such a significant sector of New Zealand's economy.

The tourism market New Zealand tourism caters for international visitors and New Zealanders travelling for pleasure, business, or education. The tourism industry meets their needs by providing accommodation, food, tours, activities, and transport.

Since tourism is an important income source for New Zealand, it is important that industry members work together to provide a rewarding experience for travellers. Total tourism expenditure was \$21.7 billion in the year to March 2009 – \$9.3 billion of international tourism expenditure and \$12.4 billion of domestic tourism expenditure. International tourism makes up 9.1 percent of gross domestic product (GDP) and 16.4 percent of exports.

New Zealand has two government-funded tourism organisations, the Ministry of Tourism and Tourism New Zealand, which is the international marketing agency. Tourism New Zealand works with the tourism industry on a cohesive, coordinated approach to marketing the country overseas.

Image removed due to copyright issues

The Dominion Post

Nathan Hirayama (right) is greeted with a hongi by Anthony Kairuna after the Canadian rugby sevens team arrived for the Wellington tournament in early 2010. Events such as international rugby games stimulate tourism and bring economic benefits to New Zealand.

Attractions It is not only New Zealand's landscape, but its distinctive culture, people, and sense of adventure that attract overseas visitors. New Zealand culture is reflected in its individual stamp on world cuisine, sport, fashion, film-making, and contemporary and wearable art.

New Zealanders themselves complete the visitor experience. Ingenious, passionate, inspiring yet straightforward people, 'Kiwis' are famous for looking at situations in new ways and doing things with an attitude and an eye for adventure.

By combining a breathtaking landscape and an adventurous soul, Kiwis explore nature by extremes – such as inventing the ski-plane and the jetboat, and popularising bungee jumping.

Events New Zealand has an events calendar that appeals to both the domestic and international visitor. This includes large and small sporting and cultural events, such as wine and food festivals, fashion events, Māori cultural competitions, international rugby tests, and mass-participation sporting events.

Together with conferences and conventions, events play a significant role in stimulating domestic and international tourism, and provide economic benefits.

New Zealand is hosting the 2011 Rugby World Cup, which will generate both direct and indirect benefits for New Zealand, including tourism revenue, new business opportunities, reinforcing achievement in sports and the arts, strengthening local and national pride, and infrastructure development. Major events also put New Zealand in the international spotlight, offering the potential to enhance the country's reputation as an events and tourist destination.

New Zealand Tourism Strategy 2015 Recognising the importance of sustainability and that New Zealand is a small player in the global tourism market, a group representing the tourism industry, local and central government, Māori, and conservation interests, reviewed the New Zealand Tourism Strategy 2010 (released in 2001). The result is the *New Zealand Tourism Strategy 2015* (2007). This document has far-reaching implications for the structure of the tourism industry and should ensure the industry's sustainability.

The strategy looks at how the tourism sector can deliver sustainable tourism that provides the maximum economic, social, cultural, and environmental benefits, with the least negative effect possible. Kaitiakitanga (guardianship) and manākitanga (hospitality) are important values that underpin the strategy.

The strategy's vision is that, in 2015, tourism is valued as the leading contributor to a sustainable New Zealand economy. The sector faces a number of challenges in achieving this, including the impact of climate change on worldwide travel patterns, exchange rate fluctuations, restricted aviation capacity, and the availability of appropriately qualified and skilled staff.

The strategy sets out four outcomes to guide the industry towards its vision:

- New Zealand delivers a world-class visitor experience
- New Zealand's tourism sector is prosperous and attracts ongoing investment
- the tourism sector takes a leading role in protecting and enhancing New Zealand's environment
- the tourism sector and communities work together for mutual benefit.

The updated strategy had input from the tourism industry, local and central government, the education and training sector, and related organisations, who will work together to implement the strategy.

Ministry of Tourism

The Ministry of Tourism aims to maximise the benefits to New Zealand from sustainable development of the tourism industry. It provides tourism policy advice to the Minister of Tourism, works with other government departments on key tourism policy issues, and provides tourism research and statistics to the government and industry.

The Ministry of Tourism is working to implement the *New Zealand Tourism Strategy 2015*, to see tourism being valued as the leading contributor to a sustainable New Zealand economy by 2015.

Major projects for the Ministry of Tourism include:

- build and implement policy programmes that contribute to the four strategy outcomes
- provide research data and analysis to help public and private sector tourism decision making
- provide advice to government as owner of Tourism New Zealand and the New Zealand Māori Arts and Crafts Institute, and on other land and property holdings.

The Ministry also provides advice to government on Tourism New Zealand board appointments, roles and functions, and the contribution it makes to the government's policy objectives.

Joining the conversation online

Tourism New Zealand was one of the first national tourism organisations to move from print advertising and focus more closely on digital and online communication.

Increasingly people are getting their news through the Internet, blog sites, social networking sites, mobile phones, iPods, and electronic billboards. New media has exploded and tourism has been quick to adapt.

Interactive elements of Tourism New Zealand's travel website (www.newzealand.com) mean prospective tourists can plan their New Zealand holiday online. Downloadable postcards, links to external blogs on New Zealand, and forums have been added in recent years.

The 'Spring Pass' initiative in Australia sent messages via Bluetooth to people who passed 100% Pure New Zealand electronic billboards – with special deals, New Zealand information, and links to the website.

Tourism New Zealand was the first tourism organisation to do a deal with Google Earth – adding a 100% Pure New Zealand 'layer' to the application means map users can see tourism information and link directly to the website (www.newzealand.com).

Social networking sites like YouTube and Facebook offer a more flexible, cost-efficient way of communicating than traditional print advertising does.

The organisation was the first to buy space on YouTube in a 24-hour takeover that launched the 100% Pure New Zealand Youngest Country television commercial in 2007. It's now been seen by more than a million viewers.

'The Great Kiwi Invite' encouraged New Zealanders to invite friends and family from overseas to New Zealand on holiday. More than 80,000 personal animated invitations were emailed to people around the world.

Tourism New Zealand has also been working with social networking website Bebo and an online television show to promote New Zealand to the youth and backpacker markets in the United Kingdom.

Source: Tourism New Zealand

Image removed due to copyright issues

The Press

Suzaan Van Dermerwe and Hendrik Kloppers tuck into pork ribs at Hokitika's wildfoods festival. They could also have tried duck gIBLETS, huhu grubs, pickled punga, gorse wine, or wasp-larvae ice cream. In 2010 the festival benefitted from being named one of the world's 'unmissable' events by a British travel company.

Other tourism organisations

Tourism New Zealand is the government body that markets New Zealand as a tourism destination. Since 1999, this has been done through the '100% Pure New Zealand' global marketing campaign.

The campaign communicates a strong, consistent message that provides potential visitors to New Zealand with an enduring image of the country, an image that convinces them New Zealand is worth visiting. Everything Tourism New Zealand does – advertising, international public relations, online communications, events, and work with overseas travel agents – carries the 100% Pure New Zealand message.

When the campaign was launched, it was the first time New Zealand had used one consistent message to market itself around the world. Since 1999, there has been a 50 percent increase in the number of visitors travelling to New Zealand each year. Tourism now contributes nearly double the foreign exchange earnings it did in 1999, and the campaign has gained many awards and accolades.

Tourism New Zealand has offices in Auckland, Wellington, Christchurch, London, Los Angeles, Sydney, Tokyo, Shanghai, Singapore, Seoul, Bangkok, and Mumbai.

Qualmark New Zealand Limited (Qualmark) is New Zealand tourism's official quality agency. Qualmark's role is to help achieve the tourism industry's goal to enhance New Zealand's reputation – by assessing accommodation, transport, activities, and services, to ensure they deliver world-class visitor experiences.

Qualmark is a government and private sector partnership between Tourism New Zealand and the New Zealand Automobile Association. It was established in 1993 for hotels, motels, and holiday parks and today has nine accommodation categories (star rated), 37 endorsement categories (activities, transport, and visitor services), and an 'enviro' award system to recognise tourism businesses that are high performers in environmental management. Over 2,100 tourism businesses in New Zealand hold a Qualmark licence.

Tourism Industry Association New Zealand (TIA) is the largest representative body of tourism operators in the country. It is a private sector, membership-based organisation that represents around 1,500 businesses and organisations – from small owner-operator businesses through to large stock exchange-listed companies. Collectively they represent 85 percent of New Zealand's tourism turnover.

TIA advocates to central and local government, and other decision makers, on issues that matter to tourism operators. TIA is at the centre of promoting development and growth in New Zealand's \$20 billion tourism industry. The association provides information, advice, and tools to help members run successful businesses. It also organises major tourism industry events each year, including the international business-to-business trade shows, TRENZ (Tourism Rendezvous New Zealand) (www.trenz.co.nz) and PURE LUXURY New Zealand (www.pureluxury.co.nz), and the Tourism Industry Awards (www.tourismawards.co.nz).

Established in 1953 as the New Zealand Travel and Holiday Association, the functions of TIA have evolved as the New Zealand tourism industry has increased in economic importance.

Other government agencies with tourism functions are involved in the tourism sector. The New Zealand Customs Service and the Ministry of Agriculture and Forestry's quarantine service screen all visitors entering New Zealand to ensure that no prohibited or restricted materials are brought into the country. New Zealand Police investigates crimes committed by or against visitors. Statistics New Zealand is a key provider of data needed for managing tourism, and the Foundation for Research, Science and Technology allocates funds for tourism research.

International tourism

Tourism is an important industry throughout the world. The World Tourism Organization reported that the total number of international visitors reached 922 million in the year ending December 2008. New Zealand has hosted more than 2 million international visitors annually since 2002.

In the year ending December 2009 there were 2.5 million visitors to New Zealand, almost the same number as for 2008.

Reasons for visiting New Zealand have changed over time. In the 20 years to December 2009, the proportion of visitors travelling to New Zealand for a holiday fell slightly – from 50 percent in 1990 to 48 percent in 2009. The proportion coming to visit friends and relatives rose in the same period, up from 24 percent to 32 percent.

Table 13.03 shows the number of international visitors to New Zealand, by their main reason for visiting.

Tourism is a significant foreign exchange earner in the New Zealand economy. The economic benefits of tourism include the goods and services produced and the employment opportunities created. Total tourism expenditure in New Zealand (international and domestic) rose from \$12.4 billion in 1999 to \$21.7 billion in the year ending March 2009.

International tourism expenditure rose from \$5.0 billion in the year ending March 1999 to \$9.3 billion in 2009 (16.4 percent of total export earnings). International tourism expenditure includes spending by foreign students studying in New Zealand for less than 12 months.

Domestic tourism has grown from \$7.4 billion in 1999 to \$12.4 billion in the year ending March 2009. Domestic tourism includes New Zealand-resident tourists, and business and government travellers.

Table 13.03

International visitors					
By main reason for visit					
Year ending 31 December					
Reason for visit	1998	2006	2007	2008	2009
Holiday	741,687	1,195,492	1,211,040	1,184,250	1,185,434
Visit friends and relatives	386,418	690,200	712,954	743,000	787,963
Business	179,551	270,089	267,875	254,396	231,387
Other ⁽¹⁾	176,856	253,107	263,415	265,589	242,748
Total⁽²⁾	1,484,739	2,421,561	2,465,680	2,458,503	2,458,382

(1) Includes conferences and conventions, education, and unspecified. (2) Totals are actual counts and may not equal the sum of figures derived from samples.

Source: Statistics New Zealand

Table 13.04

International visitor spending			
By country of last permanent residence			
Year ending 31 March 2009			
Country/region of last permanent residence	Average expenditure per person		Total foreign exchange earnings ⁽¹⁾
	per day	per visit	
		(\$)	
Australia	150	1,812	1,616,343,592
United Kingdom	119	3,733	915,700,918
United States of America	201	3,511	611,515,437
China, People's Republic of	212	3,006	307,655,418
Japan	200	4,922	448,298,231
Korea, Republic of	106	3,482	207,468,476
Germany	122	4,678	277,125,214
Canada	144	3,421	163,594,514
Singapore	174	2,488	64,122,345
Taiwan	120	2,578	42,657,670
Other	96	3,048	1,445,962,027
Total	132	2,788	6,100,443,840

(1) Excluding international airfares.

Source: Ministry of Tourism

Travelling to Oz now smarter

Image removed due to copyright issues

New Zealand and Australian ePassport holders travelling from Auckland airport to and from Australia's main cities are trialling SmartGate (above) – from the Australian Customs Service.

The system uses biometric technology (face recognition) to allow automated border processing. SmartGate uses the data in the ePassport and face recognition technology to perform the customs and immigration checks that are usually made by a customs officer.

An ePassport has a microchip embedded in the centre pages and an international ePassport symbol on the front cover.

SmartGate allows travellers to process themselves through passport control. Three SmartGate kiosks are positioned in the departures area at Auckland airport and eligible travellers can use their ePassports to go through the SmartGate eligibility check before arriving in Australia. Eligible travellers leaving Auckland can save time by completing the first step of their entry process into Australia before they leave New Zealand. It is an alternative secure, efficient way to clear through passport control.

SmartGate enables the customs service to securely and simply process more travellers while maintaining existing standards of border protection. New Zealanders are the first non-Australians to be given the option of using SmartGate, reflecting the excellent working relations between the New Zealand and Australian customs services.

To be eligible to use the new system, travellers need to have a New Zealand or Australian ePassport and be aged 18 years or older. SmartGate is also available in Adelaide, Brisbane, Cairns, Perth, Melbourne, and Sydney.

By March 2010, about 45 percent of eligible travellers were using the SmartGate kiosks in Auckland. Both Wellington and Christchurch airports are expected to have the technology by late 2010.

Source: Auckland Airport

Counting the guests

The number of international visitor arrivals to New Zealand has increased in most years since World War II. Just 17,000 visitors arrived in New Zealand in 1950, and 39,000 in 1960.

New Zealand's great distance from other countries meant that the development of air services was influential in large increases in travellers to New Zealand during the 1960s, 1970s, and 1980s. In 1973, one-quarter of a million visitors was recorded for the first time, with half a million being reached in 1983.

After a small decrease in visitor arrivals in 1991, due to high fuel prices and the Gulf War disrupting international travel, the one million visitors mark was passed in 1992. Despite the Asian financial crisis, which led to decreases in arrivals in 1997 and 1998, visitor numbers doubled over the next 10 years to over two million in 2002.

Visitor numbers continued to further increase over time, reaching 2.47 million in 2007. However, in 2008 the worldwide economic recession contributed to a small decrease in arrivals – down to 2.46 million.

Australia is the leading source of international visitors to New Zealand, with their 976,000 visitors in 2008 accounting for 40 percent of all visitor arrivals. The top seven source countries – Australia, the United Kingdom, the United States, China, Japan, Korea, and Germany – accounted for three-quarters of all visitors. Of these countries, only Australia and Germany contributed more visitor arrivals in 2008 than in 2007.

Visitor arrivals from Japan and Korea in 2008 were well down on previous highs. The 102,000 visitors from Japan in 2008 compares with a high of 174,000 in 2002. Similarly, the 79,000 visitors recorded from Korea was down on a high of 127,000 in 1996.

In contrast, visitor numbers from China have increased rapidly in recent years, although there was a decrease in 2008 due to the Sichuan earthquake and Beijing Olympics. However, the 112,000 visitors from China in 2008 was well up from just 16,000 a decade earlier (in 1998). Visitor numbers from China surpassed Korea in 2007, and Japan in 2008, to make it New Zealand's fourth-largest source of visitors.

Table 13.05 shows the country of last permanent residence of New Zealand's international visitors.

Source: Statistics New Zealand

Image removed due to copyright issues

The Dominion Post

The Queen Victoria is one of many cruise ships that visit New Zealand ports over the summer months. In 2008 her world maiden voyage included Napier. Every year, more than two million international visitors arrive in New Zealand.

Tourism and the economy Tourism generated a direct contribution to GDP of \$6.4 billion (3.8 percent of GDP in the March 2009 year). The indirect added-value of industries that support tourism generated an additional \$8.7 billion of economic activity.

Table 13.05

International visitors ⁽¹⁾			
By country of last permanent residence			
Year ending 31 December			
Country of last permanent residence	2006	2007	2008
Australia	903,504	950,206	976,200
United Kingdom	294,812	292,717	285,094
United States of America	225,629	216,027	212,410
China, People's Republic of	105,716	120,804	112,398
Japan	136,401	121,652	102,482
Korea, Republic of	111,361	99,453	79,061
Germany	59,353	59,765	62,300
Canada	45,955	47,792	53,267
Singapore	28,168	26,836	28,836
Netherlands	27,476	25,889	25,536
South Africa	18,284	21,628	25,346
India	20,265	21,853	23,860
Fiji	22,580	20,442	22,512
Hong Kong (SAR)	23,570	22,687	21,776
Ireland	19,583	20,792	21,153
France	18,663	18,673	21,125
Malaysia	19,990	19,716	19,608
Taiwan	27,825	25,695	19,249
Samoa	17,277	17,900	18,804
Thailand	18,032	20,349	18,356
French Polynesia	17,290	16,830	16,868
Switzerland	14,536	14,387	14,533
Tonga	11,775	13,314	13,513
New Caledonia	11,244	11,772	12,888
Sweden	12,026	12,075	12,330
Brazil	8,901	10,446	11,413
Cook Islands	10,457	10,782	11,346
Denmark	10,522	10,832	10,956
Spain	8,064	8,867	9,502
Philippines	7,059	8,308	9,230
Italy	8,010	8,217	8,151
Indonesia	6,929	7,758	7,569
Austria	6,217	6,549	6,747
United Arab Emirates	4,351	4,903	5,960
Israel	5,887	5,920	5,926
Argentina	4,053	4,600	5,479
Belgium	4,652	4,784	4,935
Chile	4,015	4,062	4,839
Vanuatu	1,724	2,249	4,301
Russia	2,922	3,132	4,009
Other ⁽²⁾	103,810	114,621	117,367
Total⁽³⁾	2,421,561	2,465,680	2,458,503

(1) Intended length of stay in New Zealand less than 12 months. (2) Includes unspecified. (3) Totals are actual counts. They may differ from the sum of individual figures for different countries that are derived from samples.

Note: SAR special administrative region.

Source: Statistics New Zealand

The tourism industry employed 94,600 full-time equivalent employees directly in producing goods and services purchased by tourists in the year ending 31 March 2009. This is equal to 4.9 percent of total employment in New Zealand.

Accommodation For the March 2009 year, 33 percent of travellers stayed in hotels and resorts; 32 percent in motels, motor inns, or apartments; 19 percent in caravan parks or camping grounds; 14 percent in backpacker accommodation or hostels; and 2 percent in hosted accommodation.

Transport In the year ending 31 March 2009, an estimated 46 percent of international visitors aged 15 and over used a private car or van at some stage of their visit; 32 percent took a domestic air trip; 28 percent used a rental car/van; and 23 percent used a shuttle bus service.

Managing the effects of tourism

The increasing importance of tourism has led to a strong interest in sustainable tourism, both internationally and within New Zealand. To be sustainable, tourism must provide satisfying and distinctive experiences for visitors, reasonable returns for investors, and be acceptable to host communities – providing them with real economic and social benefits. But it must also protect and develop the environmental, cultural, and social values on which tourism depends.

Local government has an important role in creating the environment for sustainable tourism. It contributes to marketing the region as a tourist destination and is responsible for enforcing laws and rules associated with managing the effects of tourism. It must also plan for, and in some cases fund, much of the infrastructure on which tourism depends, ensuring that water supply and sewerage systems, roads, and car parks can cope with additional demands.

The Department of Conservation (DOC) manages many of the natural areas enjoyed by visitors.

Private sector firms provide facilities or services for visitors, including ski fields, scenic flights, and guiding services, that complement those provided by DOC. These firms must comply with strict statutory procedures, strategies, and plans introduced to protect the natural and historical features of conservation areas and the recreational experiences of other visitors. Firms also pay concession fees, which help DOC protect conservation values.

Table 13.06

Commercial accommodation use ⁽¹⁾⁽²⁾					
By accommodation type					
Year ending 31 March					
Accommodation type	Number of establishments	Capacity (stay	Guest nights (ooo)	Occupancy rate (percent)	Average stay (nights)
		unit nights) ⁽³⁾ (ooo)			
Hotels/resorts					
2006	574	11,124	9,896	55.2	1.8
2007	568	11,283	10,147	55.7	1.8
2008	580	11,634	10,490	55.0	1.8
2009	583	11,925	10,491	54.5	1.9
Motels/motor inns/apartments					
2006	1,717	9,487	10,554	55.0	1.8
2007	1,769	9,762	10,842	54.9	1.8
2008	1,822	10,202	11,046	53.7	1.8
2009	1,849	10,441	10,277	49.9	1.8
Hosted accommodation⁽⁴⁾					
2006	659	1,141	561	26.1	1.8
2007	679	1,177	587	26.6	1.9
2008	717	1,201	583	25.8	1.9
2009	651	1,174	503	23.1	1.9
Backpackers/hostels					
2006	441	8,637	4,208	43.6	1.9
2007	445	8,881	4,370	44.3	1.9
2008	447	9,135	4,544	44.7	2.0
2009	466	9,502	4,559	43.2	2.0
Caravan parks/camping grounds					
2006	419	18,735	6,071	14.0	2.0
2007	416	18,415	6,298	15.1	2.0
2008	413	18,284	6,699	16.0	2.0
2009	417	18,469	6,252	15.1	2.1
Total					
2006	3,810	49,124	31,288	36.7	1.9
2007	3,877	49,518	32,244	37.7	1.9
2008	3,979	50,455	33,361	38.0	1.9
2009	3,966	51,511	32,082	36.6	1.9

(1) Establishments that are temporarily closed for more than 14 days in a month are excluded from results. (2) Establishments primarily offering accommodation for periods of one month or more are excluded. (3) Accommodation capacity is measured by multiplying the number of units in the establishment by the number of nights in the period. (4) Includes private hotels, guest houses, bed and breakfasts, and farmstays.

Source: Statistics New Zealand

Contributors and related sites

BikeNZ Inc – www.bikenz.org.nz

Department of Conservation – www.doc.govt.nz

Department of Internal Affairs – www.dia.govt.nz

Fish and Game New Zealand – www.fishandgame.org.nz

Gambling Commission – www.gamblingcommission.govt.nz

Ministry of Health – www.moh.govt.nz

Ministry of Tourism – www.tourism.govt.nz

Ministry of Tourism research – www.tourismresearch.govt.nz

New Zealand Lotteries Commission – www.mylotto.co.nz

New Zealand Olympic Committee – www.olympic.org.nz

New Zealand Racing Board – www.nzracingboard.co.nz

New Zealand Snowsports Council – www.snow.co.nz

Qualmark New Zealand Ltd – www.qualmark.co.nz

Sport and Recreation New Zealand – www.sparc.org.nz

Statistics New Zealand – www.stats.govt.nz

Totalisator Agency Board – www.tab.co.nz

Tourism Industry Association of New Zealand – www.tianz.org.nz

Tourism New Zealand – www.tourismnewzealand.com

Image removed due to copyright issues

The Dominion Post

Administration manager Daphne Chin (left) and apprentice Tiana Temese at work on a vehicle in a Wellington garage. In 2005, Ms Temese had visited every garage in her community to find work experience – she’s now an automotive technician apprentice. In December 2009, both women were part of a group that met at Parliament to set up the first network of tradeswomen. The Ministry of Women’s Affairs is working with the group to encourage more women into trades.

14 | Labour market

Labour relations

New Zealand has a range of legislation dealing with employment relations, with the main framework being set out in the Employment Relations Act 2000. Other employment legislation sets out minimum statutory conditions of employment, including minimum entitlements to wages and leave. These laws are administered by the Department of Labour Te Tari Mahi.

Employment Relations Act

The Employment Relations Act 2000 has good faith as its central principle, requiring employers, employees, and unions to deal with each other honestly and openly. Specifically, the Act:

- promotes good employment relations and mutual respect and confidence among employers, employees, and unions
- sets the environment for individual and collective employment relationships
- sets out requirements for negotiating collective and individual employment agreements
- provides prompt and flexible options for resolving employment relationship problems.

The key objective of the Act is to build productive employment relationships by promoting mutual trust and confidence in all aspects of the employment environment and the employment relationship. In particular, the Act aims to promote productive relationships by:

- recognising that employment relationships must be built on good faith
- acknowledging and addressing the inherent inequality of bargaining power in employment relationships
- promoting collective bargaining
- protecting the integrity of individual choice
- promoting mediation as the primary problem-solving method, reducing the need for judicial intervention.

The Act also promotes observance in New Zealand of the principles underlying International Labour Organization Convention 87 on freedom of association, and Convention 98 on the right to organise and bargain collectively.

The Act affirms the right of employees to be free to choose whether or not to form a union, or be a member of a union, for the purpose of advancing their collective employment interests.

Labour market organisations

New Zealand is a member of two major international organisations involved in studying the labour market – the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD). New Zealand provides statistics to both organisations.

ILO – New Zealand is a founding member of the ILO, which dates from 1919. It maintains a keen interest and close involvement in ILO activities, and has a special relationship with Pacific and Asian members.

Currently, the ILO has 181 member states. A tripartite delegation from New Zealand has attended every International Labour Conference since 1936. New Zealand representatives – including government, employer, and worker delegations – are active in the ILO and have held many senior offices. The New Zealand Government has been an elected deputy member of the ILO's Governing Body (1990–96, and 1999–2005), representing the Far East and Pacific subgroup of the Asia-Pacific regional group.

One of the ILO's major roles is to set international labour standards. Agreed standards are either legally binding (conventions) or voluntary (recommendations). Of the 188 current ILO conventions, New Zealand has ratified 51. In 2007, New Zealand ratified ILO Convention 155 on occupational health and safety.

All member states have their application of ratified conventions, and 'core' conventions (those deemed to represent fundamental standards by the ILO, whether ratified or not), scrutinised. For example, the principles of freedom of association and the promotion of collective bargaining are important in the ILO's constitution. Complaints can be made against members even if they have not ratified the relevant conventions, as occurred with New Zealand in 1993 in respect of the Employment Contracts Act 1991. New Zealand has since ratified ILO Convention 98 on the right to organise and bargain collectively.

OECD – The OECD is a Paris-based body that has promoted economic cooperation and development among industrialised countries since 1961. Thirty countries are currently OECD members (talks are underway to expand membership). New Zealand has been a member since 1973.

The OECD brings together the governments of countries committed to democracy and the market economy to: support sustainable economic growth, boost employment, raise living standards, maintain financial stability, assist other countries' economic development, and contribute to growth in world trade.

The OECD prepares regular reports on individual member countries, to assess economic conditions and offer policy advice. It collects labour statistics used in producing statistical comparisons and labour market analyses. Labour market conditions, particularly unemployment, are prominent in this analysis.

New Zealand attends meetings of the OECD ministerial council, and its working groups and committees, which cover a range of economic, social, and development-related issues. It also contributes data to *Annual Labour Force Statistics* and *Quarterly Labour Force Statistics*, the main OECD labour statistics publications. New Zealand information is also used in other OECD publications, including the annual *Employment Outlook*.

Source: Department of Labour

Unions are legally recognised by the Act, and collective agreements can be negotiated only between unions and employers. In formally recognising the unions' role in promoting their members' collective employment interests, the Act views unions as providing a counterbalance to power differences in direct bargaining between employees and employers.

The existence of minimal barriers to forming a union allows employees to form their own union to represent their collective interests when bargaining, and provide protection to union and non-union members.

In relation to an employment issue, no one may give any preference or apply any undue influence on another because that person is or is not a member of a union.

Union representatives are entitled to enter a workplace, within certain limitations, for purposes related to the employment of union members, or the union's business.

The Act recognises that despite all parties to an employment relationship being required to act in good faith, certain employment relationship problems require specialised assistance and institutions to promote and restore productive employment relationships.

An underlying assumption of the Employment Relations Act is that if problems are to be resolved promptly, expert problem-solving support, information, and assistance need to be available at short notice. Accordingly, the Act established mediation services and the Employment Relations Authority, while maintaining the Employment Court.

Mediation The Department of Labour provides services to parties with an employment relationship problem. The services are professional, impartial, and provided by experienced mediators who offer responsive problem-solving assistance. This help is available at short notice and at no cost. Mediation services are provided from offices in Auckland, Hamilton, Napier, Palmerston North, Wellington, Christchurch, and Dunedin. Staff can give help in other locations, including

Unemployment in the OECD

Unemployed people are those who report that they are without work, but are available for work and have taken active steps to find work in the last four weeks. This International Labour Organization definition is used to allow comparison across Organisation for Economic Co-operation and Development (OECD) countries.

Following the global financial crisis that began in 2007, countries can be divided into four main groups (when

comparing 2009 and 2007 unemployment rates): a group where unemployment rates have more than doubled (Iceland, Ireland, Spain, and United States), a group where rates have risen more than one-third, but less than doubled (Canada, Denmark, Hungary, Mexico, New Zealand, Sweden, Turkey, and United Kingdom), a group where rates are up less than one-third, and a small group where unemployment rates have fallen (Germany and Poland).

OECD harmonised unemployment rate

Country	2002–09							
	2002	2003	2004	2005	2006	2007	2008	2009
Australia	6.4	5.9	5.4	5.0	4.8	4.4	4.2	5.6
Austria	4.2	4.3	4.9	5.2	4.8	4.4	3.8	4.8
Belgium	7.5	8.2	8.4	8.5	8.3	7.5	7.0	7.9
Canada	7.7	7.6	7.2	6.8	6.3	6.0	6.1	8.3
Czech Republic	7.3	7.8	8.3	7.9	7.2	5.3	4.4	6.7
Denmark	4.6	5.4	5.5	4.8	3.9	3.8	3.3	6.0
Finland	9.1	9.1	8.8	8.3	7.7	6.9	6.4	8.2
France	8.6	9.0	9.2	9.3	9.3	8.4	7.8	9.5
Germany	8.4	9.3	9.8	10.6	9.8	8.4	7.3	7.5
Greece	10.3	9.8	10.5	9.9	8.9	8.3	7.7	9.5
Hungary	5.8	5.9	6.1	7.2	7.4	7.4	7.8	10.0
Iceland	3.3	3.4	3.1	2.6	2.9	2.3	3.0	7.2
Ireland	4.5	4.6	4.5	4.4	4.5	4.6	6.4	11.9
Italy	8.6	8.5	8.0	7.7	6.8	6.2	6.8	7.7
Japan	5.4	5.3	4.7	4.4	4.1	3.9	4.0	5.1
Korea	3.3	3.6	3.7	3.7	3.5	3.2	3.2	3.6
Luxembourg	2.6	3.8	5.0	4.6	4.6	4.2	4.9	5.4
Mexico	3.0	3.4	3.9	3.6	3.6	3.7	4.0	5.5
Netherlands	2.8	3.7	4.6	4.7	3.9	3.2	2.8	3.4
New Zealand	5.3	4.8	4.0	3.8	3.8	3.7	4.2	6.2
Norway	3.7	4.2	4.3	4.5	3.4	2.5	2.5	3.1
Poland	20.0	19.7	19.0	17.8	13.9	9.6	7.2	8.2
Portugal	5.1	6.4	6.8	7.7	7.8	8.1	7.8	9.6
Slovak Republic	18.7	17.6	18.2	16.3	13.4	11.2	9.5	12.0
Spain	11.1	11.1	10.6	9.2	8.5	8.3	11.4	18.0
Sweden	6.0	6.7	7.6	7.7 B	7.1	6.1	6.2	8.3
Switzerland	3.2	4.3	4.4	4.4	4.0	3.6	3.5	4.4
Turkey	..	..	..	..	8.7	8.8	9.7	12.6
United Kingdom	5.1	5.0	4.7	4.8	5.4	5.3	5.6	7.6
United States	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3
OECD average	7.1	7.3	7.0	6.8	6.2 E	5.8 E	6.1 E	8.3 E

Symbols: B break in the time series due to change in defining or observing a variable. E estimate .. figure not available

Source: www.oecd.org (19 April 2010); Household Labour Force Survey

workplaces. Mediation focuses on providing a balanced and fair environment, empowering parties to solve their own problems.

Once parties reach a settlement in mediation, they can agree to ask the mediator to sign it. Once signed, the settlement cannot be challenged and is enforceable in the Employment Relations Authority or the district court. If the employer and employee cannot reach agreement in mediation, they can agree, in writing, to the mediator making a final and binding decision, which is also enforceable in the authority or the court. If either or both parties do not want the mediator to make a decision, the problem may be taken to the Employment Relations Authority for determination.

Employees and employers can reach a settlement without using mediation, and make it binding by having the written settlement signed by a mediator. Once the settlement is certified, it is enforceable in the authority or the court.

In the year ending 30 June 2009, the department completed 6,122 requests for mediation, and completed 3,919 recorded settlements. Of the mediation settlements achieved, 37 percent of complaints involved unjustified dismissal, and 26 percent involved disadvantage.

Employment Relations Authority The authority makes decisions on employment relations problems by establishing facts and considering the merits of a case without being bound by technicalities. It sits between the mediation services offered by the Department of Labour and more formal court procedures. As such, the authority is the first judicial intervention for employment relations problem resolution.

The authority has exclusive jurisdiction to make decisions about employment relationship problems generally. Its work includes resolving disputes about the interpretation of employment agreements, matters relating to the breach of those agreements, and personal grievances. It also makes decisions about the recovery of wages and other monies, including recovering penalties incurred for breaches of employment agreements and minimum employment codes. In addition the authority decides matters relating to good faith bargaining, the registration of unions, union rules, and proceedings about strikes and lockouts.

The authority has offices in Auckland, Wellington, and Christchurch, although it can travel to other locations. The Department of Labour provides administrative support to the authority, which currently has 17 members including the chief of the Employment Relations Authority.

In the year ending 30 June 2009, the authority received 2,502 applications for problem resolution – 35 percent of complaints involved unjustified dismissal, and 28 percent involved disadvantage.

Minimum entitlements

Statutory minimum entitlements apply to all employees. These include:

- an adult minimum wage for employees aged 16 years and over. Since 1 April 2008, there has been no specific minimum wage for youth – instead, there is a new-entrant minimum wage, which applies to some 16- and 17-year-old workers

Image removed due to copyright issues

The Dominion Post

Radio New Zealand presenter Sean Plunket waits for a hearing at the Employment Relations Authority in late 2009, with witnesses Chris Laidlaw and Kim Hill behind him. Mr Plunket took his employer to the authority, maintaining Radio New Zealand was in breach of the Bill of Rights Act 1990 when refusing him permission to undertake outside work. Mr Plunket lost the case.

Table 14.01

Movable public holidays			
Holiday	2011	2012	2013
Good Friday	22 Apr	4 Apr	29 Mar
Easter Monday	25 Apr	9 Apr	1 Apr
Queen's Birthday ⁽¹⁾	6 Jun	4 Jun	3 Jun
Labour Day	24 Oct	22 Oct	28 Oct

(1) The Queen's actual birth date was 21 April 1926.

Source: Department of Labour

- protection from unlawful deductions from wages
- 11 paid public holidays (if the holidays fall on days that would otherwise be working days for the employee)
- time-and-a-half payment for all employees who work on public holidays and, if the day would otherwise be a working day for the employee, they are entitled to a whole day's alternative holiday
- four weeks paid annual holiday after 12 months employment – the minimum entitlement increased from three to four weeks on 1 April 2007
- paid parental leave, and employment protection for employees on parental leave
- equal pay for men and women doing substantially the same work.

Minimum wage The Minimum Wage Act 1983 determines national minimum wages for adults and young people, below which wages cannot generally fall. Since 1 April 2009, the minimum wage for people aged 16 years and over has been \$12.50 per hour before tax, \$100 for an eight-hour day, and \$500 for a 40-hour week. The new-entrant rate for those entering the labour market for the first time is \$10.00 an hour before tax. The minimum training wage is \$10.00 an hour before tax.

Those not entitled to the minimum wage are those under 16 years, people doing recognised industry training (involving at least 60 credits a year), holders of minimum wage exemptions (issued by the Department of Labour to those with recognised disabilities who are incapable of earning the minimum wage), and employees with disabilities in sheltered workshops. People doing recognised industry training are paid the minimum training wage.

Legislative changes From 1 March 2009, employers who employ 19 or fewer employees are able to employ new people on a trial period of up to 90 calendar days. An employee who is given notice of dismissal before the end of a trial period cannot raise a personal grievance on the grounds of unjustified dismissal. However, they may raise a personal grievance on other grounds, such as discrimination, harassment, or an unjustified action by the employer that disadvantaged the employee.

Since 1 April 2009, all employers have been required to provide employees with paid rest breaks and unpaid meal breaks under the Employment Relations (Breaks, Infant Feeding, and Other Matters) Amendment Act 2008. These are:

- one paid 10-minute rest break if their work period is between two and four hours
- one paid 10-minute rest break and one unpaid 30-minute meal break if their work period is between four and six hours
- two paid 10-minute rest breaks and one unpaid 30-minute meal break if their work period is between six and eight hours.

Hours of work Working hours are generally negotiated into employment agreements. However, the employer may not unilaterally impose more than 40 hours of work (exclusive of overtime) a week.

Holidays and leave

The Holidays Act 2003 contains minimum rights and obligations concerning annual leave, public holidays, sick leave, and bereavement leave. These apply to employees whether they are full time, part time, permanent, casual, or temporary. Employers and employees cannot contract out of the Act, but can agree to better terms and conditions.

Public holidays Legislation ensures that all employees receive 11 paid public holidays, as of right, if they fall on days which would otherwise be their working days. The statutory and public holidays are New Year's Day (1 January), 2 January, Waitangi Day (6 February), Anzac Day (25 April), Good Friday, Easter Monday, Queen's Birthday, Labour Day, Christmas Day (25 December), Boxing Day (26 December), and the anniversary day of a province or the day observed locally as that day.

Where employees work on a public holiday, and that day falls on one they would normally work, they are entitled to be paid at time-and-a-half for the hours they work, and to a whole day's alternative holiday. If the employee works on a public holiday and that day is one they would not normally work, the employee is entitled to time-and-a-half pay for the hours they work, but is not entitled to an alternative holiday. Where the Christmas/New Year period falls on either a Saturday or Sunday, the holidays are transferred to a Monday or Tuesday.

Annual holidays Under the Holidays Act 2003, employees are entitled to a minimum of four weeks annual holiday after the first year of employment, and on each anniversary of the date of starting employment. The leave can be taken at any time agreed between the employer and employee. Employees must be given the opportunity to take at least two of the four weeks leave in a continuous period if they wish to.

Sick and bereavement leave Employees are entitled to sick and bereavement leave whether they are full time, part time, permanent, casual, or temporary. After six months with an employer, an employee is entitled to five days sick leave on pay for each subsequent 12 months of employment. Unused sick leave can be carried over, to a maximum of 20 days. Sick leave can be taken if an

Image removed due to copyright issues

Manawatu Standard

Annie Goetzlof was an early childhood education teacher, and Amy Hunt a singing teacher – both were on parental leave when they got together and formed Kiwi Bop. The two-person music group for children is well supported by their home town, Palmerston North, and by the women’s young sons.

employee is sick, or if their spouse, dependent child, or a dependent parent of an employee or their spouse is sick. In addition, after six months employment, an employee is entitled to paid bereavement leave. On the death of an employee’s spouse, parent, child, sibling, grandparent, father-in-law, or mother-in-law, the employee is entitled to three days paid leave. The employee is also entitled to one day’s paid leave when the employer accepts that due to the death of any person, an employee has suffered bereavement.

Parental leave Eligible employees are entitled to up to 52 weeks parental leave, including 14 weeks of paid parental leave. There are several types of parental leave, each with its own entitlements and eligibility requirements. Eligible self-employed parents are entitled to 14 weeks paid parental leave.

To be eligible, employees and self-employed people and their partners (including same-sex partners) must be expecting a baby, or adopting a child not more than five years old. Evidence of the pregnancy or adoption may be required by the employer to ensure eligibility for leave. Self-employed people must attach this evidence to their application for paid parental leave. Employees must have worked at least an average of 10 hours a week for the same employer for the six or 12 months preceding the expected date of delivery or adoption. Self-employed people must have been self-employed for at least an average of 10 hours a week for the six or 12 months preceding the expected date of delivery or adoption.

In most cases, applications for parental leave should be made in writing to employers at least three months before the expected date of delivery. Following approval from their employer, an employee can apply for paid parental leave from Inland Revenue. Self-employed people apply for paid parental leave directly from Inland Revenue.

The Holidays Act is currently being reviewed.

Equal employment opportunities

An equal employment opportunities (EEO) environment helps ensure employers tap the full potential of a diverse workforce. EEO principles are supported in New Zealand by anti-discrimination legislation.

Under the Human Rights Act 1993, an employer cannot discriminate in hiring, training, promoting, or dismissing because of an employee’s sex, marital status, religious or ethical belief, colour, race, ethnic or national origin, disability, age, political opinion, employment status, family status, or sexual orientation.

Discrimination in terms and conditions of employment, training, promotion, and dismissal because of an employee’s colour, race, ethnic or national origin, sex, age, marital status, or religious or ethical belief, and sexual harassment, are grounds for taking a personal grievance under the Employment Relations Act 2001.

The Equal Pay Act 1972 provides that employers cannot differentiate in pay rates between employees on the basis of their sex.

Employees may make a complaint under the Human Rights Act, or may use personal grievance procedures under the Employment Relations Act, to enforce their rights in cases of alleged discrimination or sexual harassment.

Trust supports diversity

New Zealand’s population is changing fast. Most obvious is our increasing ethnic diversity, particularly in Auckland, where one in three people were born outside New Zealand. Also, the working population is getting older, and it increasingly includes women, many of whom are also the prime carers at home.

The EEO Trust works with employers who want to make the most of this diversity by using good equal employment opportunity (EEO) practices and strategies. The trust provides employers with information, ideas, and tools to effectively manage and reap the benefits of a diverse workforce.

Chief executive Dr Philippa Reed says that by supporting EEO and diversity, employers can show they recognise and appreciate the varying needs and values of their staff.

“This leads to greater staff commitment, lower absenteeism, new customers, and more innovation – all of which adds up to better business results,” she says. “In 2009, it became very clear that the employment decisions businesses make in tough times are those that really count. They define an organisation’s values and reinforce or erode its employment brand.”

“While cost-cutting was unavoidable, innovative thinking ensured that training and development, wellness, diversity, and work-life initiatives were being retained,” she says. “In many cases these were strengthened, as a way to maintain engagement during stressful times.”

One company in an industry where staff turnover is on average 40 percent had only 6 percent turnover. They attributed this, at least in part, to their work-life practices. Employers who actively support health and wellness lose less staff time to injury.

Entrants in the EEO Trust Work & Life Awards for 2009 described a host of initiatives that work for business and for employees. One example is the workplace literacy programmes that are boosting productivity, reducing workplace accidents, and building stronger families and communities.

The EEO Trust has an online library database for resources on diversity issues (www.eeotrust.org.nz). Employer members can borrow from the library.

The trust also provides tailored information on employment issues through its information service, which is available to everyone. Phoned or emailed queries are generally answered in one or two days.

Source: EEO Trust

Religion in the workplace

Since the 1980s a new religious diversity has developed in New Zealand, according to Paul Morris, Professor of Religious Studies at Victoria University.

Over the past 30 years there has been a decline in the number of practising Christians and an increase in the number who do not identify with any religion or who, as migrants, bring their faith with them.

Consequently, New Zealanders, as employers or employees, are now more often working with people of different religions, or with individuals who object to the special status Christianity has traditionally had.

Religious diversity is addressed in human rights and employment legislation and has two main dimensions: freedom from discrimination and religious coercion, and freedom to express one's religion.

The Muslim, Hindu, Buddhist, and Sikh communities now account for more than 5 percent of New Zealand's population. This figure has more than doubled in each of the last two decades and is higher in the major urban centres.

About one-third of New Zealand's population profess 'no religion'.

Increasing diversity has led to an increase in the number of complaints, issues, and enquiries about religion in the workplace. The Human Rights Commission received 194 complaints and enquiries between 2002 and 2009.

The most common issue (24 percent) involved the need to accommodate regular weekly holy days, or have time off for religious purposes. The second-most common issue involved an employee's right to follow their own belief regardless of those of others in the organisation. A third group of issues centred on visible expressions of religion, such as a Muslim woman's headscarf, or a Sikh's turban.

The primary concerns arising are the extent to which employers need to 'accommodate' religious needs; and how New Zealand can improve the situation to avoid the acrimony and cost of court cases. Currently most approaches are resolved through advice or mediation.

The Holidays Act 2003 is under review and will consider whether a listed public holiday may be transferred to another day, for example the final day of Ramadan for Good Friday, to accommodate religious diversity in the workplace.

Source: Victoria University of Wellington

New Zealand Council of Trade Unions

The New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU) is the national voice and advocate for worker interests.

The CTU is made up of unions representing workers in all sectors of the workforce and unites private and public sector unions. It has active local and representative structures and represents New Zealand workers internationally.

The council promotes a wide economic and social development agenda, as well as organising around core issues such as collective bargaining, and health and safety.

Business New Zealand

Business New Zealand is New Zealand's largest business advocacy body, representing 14,000 businesses that are members of four regional business organisations, along with more than 60,000 enterprises belonging to 70 affiliated industry associations.

Business New Zealand promotes public policy that supports an open, competitive economy and private enterprise.

Table 14.02

EEO groups represented in the Public Service and the employed labour force

EEO group		2002	2003	2004	2005	2006	2007	2008	2009
		Percent							
Ethnicity⁽¹⁾									
Māori	Public Service ⁽²⁾⁽³⁾	17.6	17.6	17.4	17.5	16.7	16.8	16.7	16.2
	Employed labour force	11.3	11.4	11.3	11.4	11.6	11.8	11.8	11.8
Pacific peoples	Public Service ⁽²⁾⁽³⁾	6.8	7.1	7.1	7.3	7.4	7.6	7.8	7.4
	Employed labour force	4.5	4.6	4.5	4.4	4.6	4.5	4.7	4.8
People with disabilities⁽⁴⁾									
Public Service	Public Service ⁽⁵⁾
	Employed labour force ⁽⁵⁾
Women									
Public Service ⁽²⁾	Public Service ⁽²⁾	57.5	57.8	59.0	59.1	59.4	59.2	59.0	59.0
	Employed labour force	45.7	45.8	45.9	46.2	46.4	46.3	46.5	46.9

(1) Public Service ethnicity data double-counts people with more than one ethnicity, so a person who is Māori and Samoan is counted as both Māori and Pacific peoples. The labour force figures are sourced from Statistics New Zealand's Household Labour Force Survey, and use the total response classification method, which is comparable to the Public Service data. (2) Data from the State Service Commission's Human Resource Capability Survey of Public Service Departments, at 30 June each year. (3) Ethnicity data from 2000–04 was revised in 2005 due to substantial amendments made to data by one department. (4) Disability data comes from the five-yearly Statistics NZ Disability Survey. Disability statistics are no longer collected in the Human Resource Capability survey because of concerns about data quality. The 2005 Career Progression and Development Survey indicated the proportion of people who self-identified as having a disability was 7 percent. This is not comparable with Statistics NZ's figures because of different definitions and collection methods. (5) Disability rates for those in the labour force were not published as part of the initial release from the 2006 survey.

Symbol: .. figure not available

Source: State Services Commission

Image removed due to copyright issues

Work stoppages

Work stoppage information is used as an indicator of the state of industrial relations in New Zealand. It focuses particularly on the economic impact of events such as strikes and lockouts, but does not cover stop-work meetings, strike notices, protest marches, and public rallies. Demarcation and coverage disputes are included only where participants are on strike or locked out.

For statistical purposes, work stoppages are defined not only as those disputes which result in the complete withdrawal of labour by workers, or a lockout by employers, but also disputes in which there is an organised 'go-slow', refusal to work overtime, or another method of passive resistance.

Table 14.03 shows that since 1986 the number of work stoppages has fallen to levels last recorded in the early 1930s.

There were 23 work stoppages in the year ending 31 December 2008, compared with 71 in 1991 and 215 in 1986 (before the Employment Contracts Act 1991). The number of employees involved in work stoppages has also fallen. To protect confidentiality, some 2008 data cannot be published. In 2007, 4,090 people were involved – fewer than the 22,022 people in 2001 and considerably lower than the hundreds of thousands involved in stoppages during the 1970s and 1980s.

The transport, postal, and warehousing industry accounted for around 22 percent of the 23 stoppages in 2008. This industry had the greatest number of employees involved. However, the health care and social assistance services industry had the greatest number of days lost and the greatest estimated loss in wages and salaries in 2008.

Table 14.03

Work stoppages					
Year ending 31 December					
Year	Stoppages	Employees involved	Total person days of work lost	Average person days of work lost per employee involved	Estimated loss of wages/ salaries
			Number		\$(000)
1921	77	10,433	119,208	11.4	180
1926	59	6,264	47,811	7.6	65
1931	24	6,356	48,486	7.6	89
1936	43	7,354	16,980	2.3	26
1941	89	15,261	26,237	1.7	69
1946	96	15,696	30,393	1.9	80
1951	109	36,878	1,157,390	31.4	6,223
1956	50	13,579	23,870	1.8	168
1961	71	16,626	38,185	2.3	299
1966	145	33,132	99,095	3	878
1971	313	86,009	162,563	1.9	2,109
1976	487	201,085	488,441	2.4	10,840
1981	291	135,006	388,086	2.9	20,411
1986	215	100,633	1,329,054	13.2	119,496
1991	71	51,962	99,032	1.9	11,577
1996	72	42,307	69,514	1.6	9,768
2001	42	22,022	54,440	2.5	7,682
2006	42	10,079	27,983	2.8	5,211
2007	31	4,090	11,439	2.8	1,907
2008	23	C	C	C	C

Symbol: C confidential

Source: Department of Labour; Statistics New Zealand

Labour force

The Household Labour Force Survey (HLFS) is used to produce statistics relating to the New Zealand labour market. Each quarter Statistics New Zealand publishes statistics on employment, unemployment, and people not in the labour force, for the working-age population – the usually resident, non-institutionalised, civilian population aged 15 years and over.

The labour force includes those in the working-age population who are either 'employed' or 'unemployed'.

The employed category includes all people in the working-age population who work for one hour or more a week for pay or profit, either as an employee or self-employed, or who work without pay for one hour or more in a family business or farm.

The unemployed category includes all people in the working-age population who are without a paid job, are available for work and have either actively sought work in the past four weeks, or have a new job to start within the next four weeks.

The definitions for the HLFS were created by Statistics NZ and conform closely to standard definitions of the International Labour Organization.

Migrants essential for workforce

Rises in the unemployment rate across the globe in 2009, and in New Zealand, have resulted in many countries tightening their immigration flows, both to protect the jobs of locals and to make jobs available to locals.

New Zealand's Essential Skills Policy, which accounts for a large proportion of the temporary work flow, is demand driven. As demand for skills fell during 2009 so did the number of applications to work here. Labour market testing, which ensures there are no suitable New Zealanders to fill positions, increased the rate of decline. Regular reviews of labour market shortages led to some occupations being removed from the lists of essential skills that are in demand.

These and other factors meant that New Zealand did not need to make some of the drastic changes for migrants that were seen in other countries – for example, inducements to leave and not return, drastic tightening of eligibility criteria, and significant cuts to inflows.

Immigration is important for filling skill and labour shortages. While shortages are not the main constraint to growth at present, they still exist and will increase as the economy recovers.

The OECD recently highlighted that while labour migration policies should be responsive to short-term conditions, they should not hamper a country's recovery. Some shortages will be due to industry expansion, but many others will arise because of departing New Zealanders.

Recent research by the Department of Labour estimates that maintaining the recent historical inflow of immigrants to New Zealand is worth around \$1.9 billion extra per year to the economy, or \$28.0 billion by 2021.

Migrants need not merely fill vacancies. Critical to New Zealand's economic growth agenda is an increase in productivity. Migrants are a key source of skills, talent, and capital that when fully tapped will support these necessary productivity gains.

Source: Department of Labour

Table 14.04

Labour force participation rates ⁽¹⁾			
By sex and age group			
Average for year ending 30 Sep 2009			
Age group (years)	Male	Female	Total
	Percent		
15–19	52.1	51.5	51.8
20–24	78.5	69.4	74.0
25–29	89.8	73.1	81.3
30–34	92.7	73.6	82.7
35–39	92.6	74.7	83.2
40–44	91.8	80.3	85.8
45–49	91.7	81.9	86.7
50–54	90.9	81.9	86.3
55–59	87.8	74.2	80.9
60–64	76.8	56.1	66.2
65+	21.6	11.9	16.4
All ages	74.9	62.4	68.5

(1) Unadjusted figures.

Source: Statistics New Zealand

Table 14.05 shows that between the September 2006 and September 2009 quarters, the number of people employed increased by 14,900, reaching 2,143,400; the number of people unemployed increased by 62,300, reaching 144,500; the total labour force grew by 77,300, reaching 2,287,900; and the working-age population grew by 126,200, reaching 3,384,000.

Between the September 2006 and September 2009 quarters, the number of males employed fell by 11,400, to 1,129,500; the number of males unemployed rose by 36,700, to reach 78,600; the male total labour force grew by 25,400, to 1,208,200; and the male working-age population grew by 66,400, reaching 1,642,200.

Between the September 2006 and September 2009 quarters, the number of females employed increased by 26,300, to 1,013,900; the number of females unemployed increased by 25,600, to reach 65,900; the female total labour force grew by 51,900, to 1,079,700; and the female working-age population grew by 59,800, reaching 1,741,800.

Labour force participation rates by sex

Between the September 2006 and September 2009 quarters, the labour force participation rate fell for males and rose for females.

Table 14.04 shows female participation in the labour force is lower than male participation for every age group in the year ending September 2009.

For the year ending 30 September 2009, 74.9 percent of males, and 62.4 percent of females in the working-age population were participating in the labour force.

Table 14.05

Labour force ⁽¹⁾								
By sex								
Quarterly, 2006–09								
Quarter		Employed	Unemployed	Total labour force	Not in the labour force	Working-age population ⁽²⁾	Labour force	
							participation rate	Unemployment rate
Percent								
Male								
2006	Sep	1,140.9	41.9	1,182.7	393.1	1,575.8	75.1	3.5
	Dec	1,163.1	41.1	1,204.2	378.4	1,582.6	76.1	3.4
2007	Mar	1,161.5	46.5	1,208.0	381.2	1,589.1	76.0	3.9
	Jun	1,159.3	38.3	1,197.6	395.8	1,593.4	75.2	3.2
	Sep	1,162.4	39.3	1,201.7	395.8	1,597.6	75.2	3.3
	Dec	1,176.9	40.1	1,217.0	386.6	1,603.6	75.9	3.3
2008	Mar	1,158.3	47.4	1,205.7	403.7	1,609.4	74.9	3.9
	Jun	1,162.7	46.6	1,209.3	404.2	1,613.5	74.9	3.9
	Sep	1,154.7	51.5	1,206.2	411.4	1,617.6	74.6	4.3
	Dec	1,184.1	53.8	1,237.9	385.5	1,623.4	76.3	4.3
2009	Mar	1,154.4	68.2	1,222.6	407.1	1,629.7	75.0	5.6
	Jun	1,156.0	68.2	1,224.2	411.8	1,636.1	74.8	5.6
	Sep	1,129.5	78.6	1,208.2	434.1	1,642.2	73.6	6.5
Female								
2006	Sep	987.6	40.3	1,027.9	654.1	1,682.0	61.1	3.9
	Dec	993.5	40.2	1,033.7	655.2	1,688.9	61.2	3.9
2007	Mar	1,001.6	50.2	1,051.8	643.1	1,694.9	62.1	4.8
	Jun	1,006.9	41.6	1,048.5	650.2	1,698.7	61.7	4.0
	Sep	998.8	39.4	1,038.2	664.3	1,702.5	61.0	3.8
	Dec	1,030.6	35.7	1,066.3	641.7	1,708.0	62.4	3.3
2008	Mar	998.6	48.6	1,047.1	666.1	1,713.3	61.1	4.6
	Jun	1,021.6	40.8	1,062.4	654.4	1,716.8	61.9	3.8
	Sep	1,028.9	42.4	1,071.3	649.2	1,720.5	62.3	4.0
	Dec	1,043.9	49.0	1,092.8	633.0	1,725.8	63.3	4.5
2009	Mar	1,018.6	60.6	1,079.3	651.8	1,731.1	62.3	5.6
	Jun	1,010.1	65.3	1,075.4	660.8	1,736.2	61.9	6.1
	Sep	1,013.9	65.9	1,079.7	662.0	1,741.8	62.0	6.1
Total								
2006	Sep	2,128.5	82.2	2,210.6	1,047.2	3,257.8	67.9	3.7
	Dec	2,156.7	81.3	2,238.0	1,033.6	3,271.6	68.4	3.6
2007	Mar	2,163.0	96.7	2,259.8	1,024.3	3,284.0	68.8	4.3
	Jun	2,166.2	79.9	2,246.1	1,046.0	3,292.0	68.2	3.6
	Sep	2,161.2	78.7	2,239.9	1,060.1	3,300.0	67.9	3.5
	Dec	2,207.5	75.8	2,283.3	1,028.3	3,311.6	68.9	3.3
2008	Mar	2,156.9	96.0	2,252.8	1,069.8	3,322.7	67.8	4.3
	Jun	2,184.3	87.5	2,271.7	1,058.6	3,330.3	68.2	3.9
	Sep	2,183.6	93.9	2,277.6	1,060.6	3,338.1	68.2	4.1
	Dec	2,227.9	102.8	2,330.7	1,018.5	3,349.2	69.6	4.4
2009	Mar	2,173.0	128.8	2,301.8	1,058.9	3,360.8	68.5	5.6
	Jun	2,166.1	133.5	2,299.6	1,072.6	3,372.2	68.2	5.8
	Sep	2,143.4	144.5	2,287.9	1,096.1	3,384.0	67.6	6.3

(1) Unadjusted figures. (2) The civilian, non-institutionalised, usually resident New Zealand population aged 15 and over.

Source: Statistics New Zealand

Employment

For the year ending 30 September 2009, there were 1,677,100 people employed in full-time work and 500,500 in part-time work. (Full-time work is defined as working 30 or more hours a week.)

Table 14.06 shows that between the years ending 30 September 1991 and 2009, the percentage growth for part-time employment was stronger than the percentage growth for full-time employment. Part-time work increased by 58.3 percent and full-time work by 39.7 percent.

For the year ending 30 September 2009, part-time employment reached 357,600 for women and 142,900 for men. During the same period, full-time employment reached 664,000 for women and 1,013,100 for men.

Status in employment

For the year ending 30 September 2009, the majority of working people were employees (wage or salary earners) – 83.5 percent. Those who were self-employed (and not employing others) were the next largest group – 10.5 percent.

For the year ending 30 September 2009, the total number of employees was similar for males and females. However, males made up the majority of the employer category (71.3 percent) and self-employed category (66.0 percent). Females made up the majority of the 'unpaid relative assisting' category (58.2 percent).

There were several shifts in employment status between 2004 and 2009, when the total number of employed people increased by 176,200. The number of employees rose by 201,400, and the number of employers fell by 36,200. There was an 800-person fall in the self-employed (and not employing others) number, while the number of unpaid relatives assisting grew by 10,400.

Industry structure of the labour force

Fewer people are employed in the manufacturing sector than in the services sector (electricity, gas, water, and waste services; construction; wholesale trade; retail trade and accommodation; transport, postal, and warehousing; information media and telecommunications; financial and insurance services; rental, hiring, and real estate services; professional, scientific, technical, administrative, and support services; public administration and safety; education and training; health care and social assistance; arts, recreation, and other services).

Table 14.06

Full and part-time employment ⁽¹⁾⁽²⁾									
Year	By sex								
	Employed full-time			Employed part-time			Employed total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	(ooo)								
1991	769.9	430.3	1,200.3	78.5	237.6	316.1	848.4	667.9	1,516.4
1996	860.9	488.6	1,349.5	97.4	284.8	382.2	958.3	773.3	1,731.7
2001	883.3	537.6	1,420.9	113.1	299.9	413.0	996.4	837.5	1,833.9
2004	966.8	595.5	1,562.3	116.9	322.2	439.1	1,083.7	917.8	2,001.4
2005	999.4	621.3	1,620.8	115.5	339.0	454.5	1,115.0	960.3	2,075.3
2006	1,026.3	640.1	1,666.5	114.5	344.7	459.2	1,140.8	984.9	2,125.7
2007	1,032.1	648.6	1,680.7	129.5	351.6	481.1	1,161.6	1,000.2	2,161.8
2008	1,028.2	662.9	1,691.0	134.9	357.1	492.0	1,163.1	1,019.9	2,183.1
2009	1,013.1	664.0	1,677.1	142.9	357.6	500.5	1,156.0	1,021.6	2,177.6

(1) Average for year ending 30 September. (2) Unadjusted figures.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 14.07

People employed in 2004 and 2009 ⁽¹⁾⁽²⁾									
Status	By employment status and sex								
	Male			Female			Total		
	2004	2009	Change	2004	2009	Change	2004	2009	Change
	(ooo)								
	(percent)								
Employee	823.2	919.5	11.7	794.7	899.9	13.2	1,617.9	1,819.3	12.5
Employer	100.5	75.5	-24.9	41.7	30.4	-27.0	142.1	105.9	-25.5
Self-employed	156.0	150.7	-3.4	73.3	77.7	6.1	229.2	228.4	-0.3
Unpaid relative assisting	3.9	9.2	137.5	7.8	12.8	64.6	11.6	22.0	88.8
Not specified	--	1.2	--	--	--	--	--	2.0	--
Total	1,083.7	1,156.0	6.7	917.8	1,021.6	11.3	2,001.4	2,177.6	8.8

(1) Average for year ending 30 September. (2) Unadjusted figures.

Note: Figures may not add to stated totals due to rounding.

Symbol: -- estimates are fewer than 1,000 and subject to sampling error too great for most purposes

Source: Statistics New Zealand

Older New Zealanders in labour force

A majority of older Kiwis retire by the age of eligibility for New Zealand Superannuation – 65 years. However, a study by Statistics New Zealand found that a growing proportion of them are extending their working life, either on a full-time or a part-time basis.

At the 2006 Census, 17 percent, or one in six New Zealanders aged 65+ years, were gainfully employed, compared with just 7 percent in 1991. Factors contributing to this change include people living longer, the growth of service industries, skill shortages, a more buoyant economy at the start of the new millennium, and legislative changes relating to the minimum age for the pension and abolishing a compulsory retirement age.

Interestingly, among the youngest pensioners (aged 65–69 years), 34 percent, or one in three, were in paid employment. The labour force participation rate for New Zealanders aged 70–74 years in 2006 was almost the same as for those aged 65–69 years a decade earlier. This suggests that 70–74 is the 'new' 65–69 years.

Women are less likely to be in paid work at older ages than men. Still, there has been a large growth especially in the number of older women pursuing part-time employment – up from less than 3,000 in 1986 to over 20,000 in 2006. Nearly two in every three women aged 65+ years in 2006 worked part time, compared with two in five men.

Education seems to enhance the prospects of working beyond 65 years. Older graduates are three times more likely to be gainfully employed than those without any educational qualification.

Source: Statistics New Zealand

Industry training in New Zealand

Industry training is focused on the workplace. It often involves on-the-job training, but can also include off-job training in a tertiary education institution such as a polytechnic. Employees study to gain credits towards qualifications such as national certificates.

Industry training is funded jointly by government and industry. It is coordinated by 39 industry training organisations that are set up by industry and recognised by government under the Industry Training Act 1992.

The system covers most of New Zealand's industries – from traditional trades like building and plumbing, the primary industries, and manufacturing and retail, through to the public sector and community services.

At 30 June 2009, there were 133,343 industry workers in training. Of these, 60.7 percent were European, 17.8 percent Māori, 7.0 percent Pacific peoples, with the rest from other ethnic groups. Over 28 percent were women.

In 2008, a total of 35,958 national certificates were completed by trainees, up from 29,389 certificates in 2007.

In addition, nearly 13,000 'modern apprentices' were involved in structured workplace learning programmes at 30 June 2009, a 4.8 percent increase from 30 June 2008.

Modern apprentices are industry trainees aged 16 to 21 years who receive additional mentoring and support.

Source: Tertiary Education Commission

Image removed due to copyright issues

The Aucklander

Ned Matautia works at Pacific Steel in Auckland. In 2009 he quit smoking, lost 25 kilograms, and changed his diet – he's not going back. His workplace had much to do with the change. During the 2008–09 economic recession, after considering how many sick days employees were taking, the company decided to run a programme promoting fitness and healthy living. Pacific Steel says everyone got on board – at the gym, in a walking group, playing netball, or as part of a drug and alcohol education or stop-smoking group.

Table 14.08 shows the average number of employed people in each industry, by sex, in the year ending 30 September 2009.

The largest number worked in the retail trade and accommodation industry (15.7 percent); followed by manufacturing (11.8 percent); and professional, scientific, technical, administrative, and support services (11.0 percent). The two industries employing the smallest number of people were mining; and electricity, gas, water, and waste services, each with less than 1.0 percent of all employed people.

Male employment was highest in manufacturing (which employed 15.6 percent of males), followed by construction (13.9 percent), and retail trade and accommodation (12.8 percent). Combined, those industries accounted for 42.2 percent of male employment.

Female employment was highest in retail trade and accommodation (19.0 percent) and healthcare and social assistance (17.6 percent).

Table 14.08

People employed in 2009 ⁽¹⁾⁽²⁾						
By sex and industry ⁽³⁾						
Industry group	Number employed			Proportion of total		
	Male	Female	Total	Male	Female	Total
	(ooo)			Percent		
Agriculture, forestry, and fishing	97.9	45.1	143.0	8.5	4.4	6.6
Mining	5.6	1.0	6.6	0.5	0.1	0.3
Manufacturing	179.8	76.7	256.5	15.6	7.5	11.8
Electricity, gas, water, and waste services	12.3	3.3	15.6	1.1	0.3	0.7
Construction	160.2	22.4	182.6	13.9	2.2	8.4
Wholesale trade	66.2	33.1	99.3	5.7	3.2	4.6
Retail trade and accommodation	148.1	194.6	342.7	12.8	19.0	15.7
Transport, postal, and warehousing	68.6	26.6	95.2	5.9	2.6	4.4
Information media and telecommunications	23.3	17.1	40.5	2.0	1.7	1.9
Financial and insurance services	29.2	38.2	67.3	2.5	3.7	3.1
Rental, hiring, and real estate services	21.1	18.8	39.9	1.8	1.8	1.8
Professional, scientific, technical, administrative, and support services	127.4	112.5	239.9	11.0	11.0	11.0
Public administration and safety	58.6	58.5	117.1	5.1	5.7	5.4
Education and training	51.8	130.6	182.4	4.5	12.8	8.4
Health care and social assistance	37.5	179.3	216.8	3.2	17.6	10.0
Arts, recreation, and other services	62.3	60.5	122.8	5.4	5.9	5.6
Not specified	6.1	3.4	9.4	0.5	0.3	0.4
Total all industries	1,156.0	1,021.6	2,177.6	100.0	100.0	100.0

(1) Unadjusted figures. (2) Average for year ending 30 September. (3) ANZSIC 2006.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 14.09

People employed in 2009 ⁽¹⁾						
By sex and occupation ⁽²⁾						
Major occupation group	Number			Proportion of total		
	Male	Female	Total	Male	Female	Total
	(ooo)			Percent		
Managers	240.1	118.4	358.5	20.8	11.6	16.5
Professionals	209.8	257.9	467.7	18.2	25.2	21.5
Technicians and trade workers	226.6	54.2	280.8	19.6	5.3	12.9
Community and personal service workers	63.0	135.7	198.7	5.5	13.3	9.1
Clerical and administrative workers	66.8	227.1	293.9	5.8	22.2	13.5
Sales workers	78.7	119.0	197.7	6.8	11.6	9.1
Machinery operators and drivers	104.3	18.0	122.3	9.0	1.8	5.6
Labourers	161.7	87.1	248.8	14.0	8.5	11.4
Residual categories	4.9	4.3	9.2	0.4	0.4	0.4
Total all occupations	1,156.0	1,021.6	2,177.6	100.0	100.0	100.0

(1) Average for year ending 30 September. (2) ANZSCO.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Occupational structure of the labour force

Statistics New Zealand classifies occupations into eight major groups for statistical collection and reporting.

Table 14.09 shows the spread of employed people across these groups. For the year ending 30 September 2009, the largest occupational groups were professionals and managers. Together, these groups accounted for 38.0 percent of all employed people. The smallest occupation group was machinery operators and drivers, with 5.6 percent of all employed people.

The largest group for males was managers, where 20.8 percent of males were employed. The largest group for females was professionals, with 25.2 percent of female employment.

Unemployment

The official measure of unemployment comes from the Household Labour Force Survey.

Unemployed people are defined as those in the working-age population (the usually resident, non-institutionalised, civilian population aged 15 years and over) who, during the reference week, were without a paid job, were available for work and had actively sought work in the past four weeks, or had a new job to start within four weeks.

A person whose only job method in the previous four weeks had been to look at job advertisements in newspapers is not considered to be actively seeking work.

Volunteering is popular and diverse

More than 1 million New Zealanders are volunteers. They work in animal shelters, human rights groups, health and education organisations, emergency services, environment and conservation projects, social services, churches, and with sports teams – for adults and for children.

Ninety percent of non-profit organisations rely entirely on volunteers. Volunteers make up two-thirds of 'employees' in the non-profit workforce (on a full-time equivalent basis), and are equivalent to 6.4 percent of New Zealand's labour force.

The 270 million hours that volunteers contribute each year were valued at \$3.3 billion in 2004. When valued at a market wage, voluntary labour boosts non-profit institutions' economic contribution to \$6.95 billion, or 4.9 percent of New Zealand's gross domestic product.

Sport and Recreation New Zealand estimates that while 41,000 people are paid to work in sport, over 820,000 are involved as volunteers, with 46 percent being coaches.

In 2007, 7,000–10,000 volunteers worked in museums and art galleries, twice as many as the paid staff in this sector.

About 9,000 volunteer urban and rural firefighters service 80 percent of New Zealand's geographical area, responding to road accidents as well as fires. Every year, St John volunteers work with paid ambulance staff to treat 300,000 patients.

In summer, 3,500 surf lifesaving volunteers patrol to keep the beaches safe, while Land Search and Rescue's 2,500 volunteers cover the length and breadth of New Zealand all year round.

In 2008, the General Social Survey found that one-third of respondents (aged 15 years and over) had done volunteer work, and two-thirds had done unpaid work outside their household in the previous four weeks.

Te reo Māori has no equivalent word for volunteering. Mahi aroha is work performed out of love, sympathy, or caring and through a sense of duty. Integral to being Māori is a sense of collective identity and responsibility, which nurtures Māori cultural identity and motivates mahi aroha.

Source: Volunteering New Zealand

Demographic and social characteristics of the unemployed

An estimated 127,400 people (5.5 percent of the labour force) were unemployed in New Zealand in the year ending 30 September 2009. The male unemployment rate was 5.5 percent and the female rate 5.6 percent.

Table 14.10 shows that, for the year ending 30 September 2009, unemployment was highest in the younger age groups of the working-age population. The unemployment rate for the 15–19-year group was 21.1 percent, compared with the overall rate of 5.5 percent. The lowest unemployment rate was for the 65-years-and-over group (1.5 percent).

Table 14.11 shows the average number of unemployed in the year ending September 2009 by sex and educational attainment. The unemployment rate is highest for those with no qualifications (9.2 percent), and lowest for those with post-school and school qualifications (3.6 percent).

Table 14.12 compares the number of unemployed people by educational attainment for census years 1991, 1996, and 2001, and in the years ending 30 September 2005 to 2009.

Table 14.13 shows the proportions of the total unemployed for each age group. The trend in recent years has been for the highest proportion to be in the 15–19-year group. In general, the older the age group, the less it contributes to total unemployment.

The unemployment rate for the European-only ethnic group is lower than for most other ethnic groups. Table 14.14 shows that, for the year ending 30 September 2009, the average unemployment rate was 3.9 percent for European-only people, 11.8 percent for Māori only, 11.6 percent for Pacific peoples only, 7.3 percent for Asian only, 11.5 percent for MELAA (Middle Eastern, Latin American, and African) only, 3.3 percent for 'other' ethnicity only, and 9.7 percent for the European/Māori ethnic group.

Table 14.10

Age group (years)	People unemployed in 2009 ⁽¹⁾					
	By sex and age group			Unemployment rate (percent)		
	Number (ooo)			Unemployment rate (percent)		
	Male	Female	Total	Male	Female	Total
15–19	17.4	17.7	35.1	20.4	21.8	21.1
20–24	12.0	10.8	22.8	10.1	10.5	10.3
25–29	6.7	5.7	12.4	5.5	5.5	5.5
30–34	5.4	4.9	10.2	4.6	4.7	4.6
35–39	5.4	4.6	10.0	4.0	3.8	3.9
40–44	4.2	5.0	9.2	3.1	3.8	3.4
45–49	5.3	4.3	9.5	3.7	3.1	3.4
50–54	3.9	3.3	7.2	3.1	2.8	3.0
55–59	3.5	2.5	6.0	3.3	2.7	3.0
60–64	2.7	1.1	3.8	3.3	1.7	2.6
65+	--	--	1.2	--	--	1.5
Total	67.2	60.2	127.4	5.5	5.6	5.5

(1) Average for year ending 30 September.

Note: Figures may not add to stated totals due to rounding.

Symbol: -- estimates are fewer than 1,000 and subject to sampling errors too great for most practical purposes

Source: Statistics New Zealand

Image removed due to copyright issues

The New Zealand Herald

Keith Boswell and Ngawini Kingi at work on the Disabled Citizens Society's new organic gardening programme in Mangere in December 2009. The society provides work enterprise, community education, and training for young and older people with disabilities – this project is teaching transferable skills that may lead to employment within the community. When established in 1943, the Disabled Citizens Society aimed to help disabled war veterans become more independent.

Table 14.11

People unemployed in 2009 ⁽¹⁾						
By sex and educational attainment						
Educational attainment	Number (ooo)			Unemployment rate (percent)		
	Male	Female	Total	Male	Female	Total
No qualification	21.3	16.5	37.9	9.2	9.2	9.2
School qualification	17.9	17.3	35.2	7.0	6.5	6.7
No school but post-school qualification	6.9	5.3	12.3	5.1	6.4	5.6
Post-school and school qualification	19.5	20.2	39.7	3.4	3.8	3.6
Not specified	1.5	--	2.4	4.7	--	4
Total	67.2	60.2	127.4	5.5	5.6	5.5

(1) Average for year ending 30 September.

Note: Figures may not add to stated totals due to rounding.**Symbol:** -- estimates are fewer than 1,000 and subject to sampling errors too great for most purposes**Source:** Statistics New Zealand

Table 14.12

People unemployed 1991–2009 ⁽¹⁾						
By educational attainment						
Year	No qualification	School qualification	No school but post-school qualification	Post-school and school qualification	Not specified	Total unemployed
	(ooo)					
1991	71.6	42.7	18.3	35.6	1.7	169.8
1996	47.0	28.9	12.0	29.1	--	117.5
2001	36.1	28.2	10.7	31.4	--	106.8
2005	26.8	21.5	9.2	24.3	--	82.4
2006	26.1	22.9	9.9	25.4	--	84.8
2007	27.1	22.3	9.4	24.4	--	84.1
2008	26.2	23.9	8.6	27.7	1.9	88.3
2009	37.9	35.2	12.3	39.7	2.4	127.4

(1) Averages for census years 1991, 1996, 2001, then year ending 30 September.

Note: Figures may not add to stated totals due to rounding.**Symbol:** -- estimates are fewer than 1,000 and subject to sampling errors too great for most purposes**Source:** Statistics New Zealand

Table 14.13

Proportions of people unemployed ⁽¹⁾											
By age group (years) 1991–2009 ⁽²⁾											
Year	15–19	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	65+
	Percent										
1991	21.1	20.4	14.8	12.2	8.8	7.8	5.7	4.7	3.4	0.7	--
1996	21.7	17.5	12.3	10.9	10.2	9.3	7.5	5.2	3.7	1.4	--
2001	22.2	16.7	10.2	10.0	9.4	9.7	6.7	6.8	5.2	2.9	--
2005	26.5	17.6	11.0	8.8	8.7	7.2	6.0	6.2	4.7	2.4	--
2006	26.6	17.0	9.6	8.7	7.7	8.6	7.5	5.5	4.8	2.8	--
2007	31.2	17.2	10.8	7.4	7.2	7.7	8.0	4.4	3.5	1.9	--
2008	29.2	17.1	11.4	7.3	8.0	7.3	7.0	5.2	3.8	3.0	--
2009	27.5	17.9	9.7	8.0	7.8	7.2	7.5	5.7	4.7	3.0	1.0

(1) Number of unemployed in each age group divided by total unemployed. (2) Averages for years ending 30 September.

Symbol: -- estimates are fewer than 1,000 and subject to sampling errors too great for most purposes**Source:** Statistics New Zealand

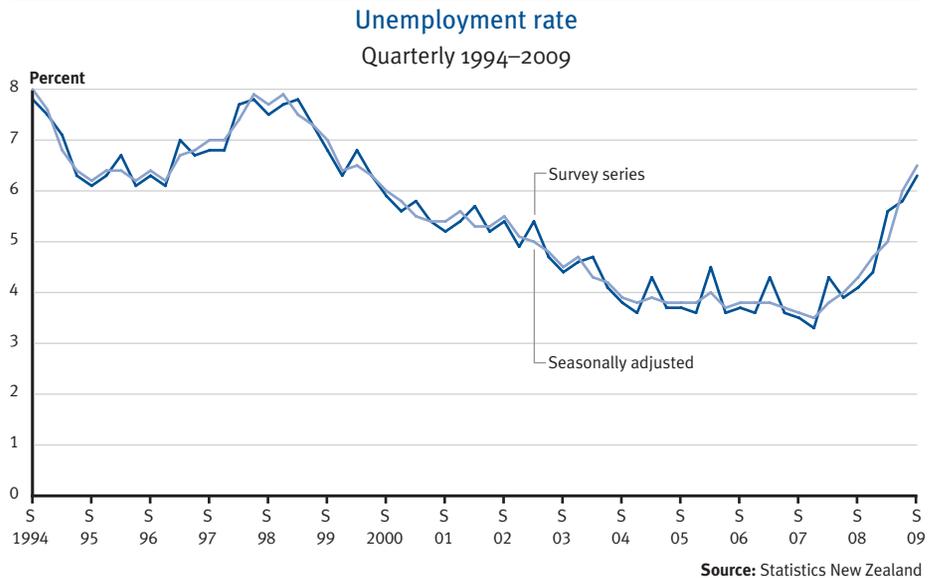
Table 14.14

People unemployed in 2009 ⁽¹⁾						
By sex and ethnicity ⁽²⁾						
Ethnicity	Number (ooo)			Unemployment rate (percent)		
	Male	Female	Total	Male	Female	Total
European only	35.6	28.9	64.5	4.1	3.8	3.9
Māori only	9.4	9.0	18.4	11.3	12.4	11.8
Pacific peoples only	5.2	4.9	10.1	10.9	12.4	11.6
Asian only	7.8	7.8	15.6	6.8	7.9	7.3
MELAA ⁽³⁾ only	--	--	1.8	--	--	11.5
Other ethnicity only	--	--	1.1	--	--	3.3
European/Māori	5.6	5.8	11.4	9.6	9.8	9.7
Two or more groups not included elsewhere	1.9	2.2	4.2	10.4	11.6	11.0
Residual categories	--	--	--	--	--	--
Total	67.4	60.2	127.6	5.5	5.6	5.5

(1) Average for year ending 30 September. (2) Single/combination ethnicity. (3) Middle Eastern, Latin American, African ethnic group.

Note: Figures may not add to stated totals due to rounding.**Symbol:** -- estimates are fewer than 1,000 and subject to sampling errors too great for most practical purposes**Source:** Statistics New Zealand

Figure 14.01



Employment assistance

One of the roles of the Ministry of Social Development is to provide employment assistance to New Zealanders. These services are supplied from more than 190 locations throughout the country, including seven contact centres and 11 regional offices.

Fewer people used employment assistance between the year ending June 2008 and the year ending June 2009, which reflected fewer opportunities to place clients in supported work or on-the-job training. This was a result of the economic recession between early 2008 and mid-2009.

Work and Income offers a range of services to assist job seekers into paid employment – including job search skills, work confidence programmes, and opportunities for on-the-job training.

The same client may be involved in more than one employment programme during the year. The following statistics show the numbers of participations in employment programmes, not the numbers of individuals participating in programmes.

Programmes available in the year ending June 2009 included:

- Client development services – these services help with motivation and confidence when seeking paid work, and supply information on job search techniques and resources. In 2009, clients participated in services programmes 31,387 times, down from 33,196 in 2008.

Waves of SoFIE

The Survey of Family, Income, and Employment (SoFIE) aims to interview the same group of individuals over eight years to show how New Zealanders' income, family type, and employment changes over time. The survey began with a sample of 22,200 individuals in 11,500 households in 2002.

Data has so far been collected for the first seven interview cycles ('waves'). Each wave runs from 1 October to 30 September the following year. Wave 1 ran from October 2002 to September 2003, wave 7 finished in September 2009; the final wave of interviewing (wave 8) began in October 2009.

SoFIE data from waves 1 to 4 provides information on changes in employee earnings. All people aged 15 years and over at wave 4, who were in the longitudinal population and received employee earnings at any time during their first and fourth years in the survey, are included in the data release (representing 1,990,800 individuals).

To make comparison between years easier, data is presented in quintiles. Each quintile contains 20 percent of paid employees, ranked by the average

weekly earnings received over the weeks in which they were employed.

The earnings' boundaries for wave 1 and wave 4 quintiles are different, due to movement in average earnings between the waves.

Quintile boundaries for weekly employee earnings

Quintile	Average weekly employee earnings	
	Wave 1	Wave 4
1	less than \$275	less than \$310
2	\$275 to less than \$486	\$310 to less than \$552
3	\$486 to less than \$675	\$552 to less than \$760
4	\$675 to less than \$930	\$760 to less than \$1,047
5	\$930 +	\$1,047 +

Over half (54.0 percent) the people receiving employee earnings in both waves were in the same quintile in both years – although their actual earnings may have changed, their position, relative to other paid

employees, remained the same. A further 29.6 percent had moved up one or more quintiles, and 16.4 percent moved down one or more quintiles. Of those in the top quintile in their first year in the survey, 71.6 percent were also in the top quintile in their fourth year.

Of those who received employee earnings in both the first and fourth years of the survey, 307,000 (21.1 percent) had moved up one quintile by the fourth wave. One quarter (24.7 percent) of those in quintile 3 in their first year moved into quintile 4 in the fourth wave.

There were similar movements in the other quintiles.

A total of 352,900 people who were not employed⁽¹⁾ at the end of wave 1 were employed three years later – most (263,800) had not been seeking work when first interviewed. Of those who had been seeking work at the end of the first wave, 9.8 percent were in the same position three years later, while 60.9 percent were employed.

(1) Includes those not employed and seeking work, not employed and not seeking work, and those turning 15 between waves 1 and 4.

Source: Statistics New Zealand

Image removed due to copyright issues

The Press

Student Andrew Sclater looks for work at the Student Job Search (SJS) office at Canterbury University. In late 2009, SJS said that although the number of jobs was steady, more students were chasing them over their summer earning break. By January 2010, 160,000 students had signed up, 60 percent more than at the same time in 2009.

- Work experience – programmes provide unpaid opportunities in a workplace or work-type environment. These programmes are designed to help clients gain up-to-date work experience, to explore whether a job or career could be suitable for them, and to develop informal contacts. Clients took part 57 times in 2009, down from 72 times in 2008.
- Wage subsidies – subsidies are to ensure that disadvantaged clients who are at risk of long-term benefit dependency gain the skills needed to help them achieve unsubsidised employment. In 2009, 7,108 subsidies were paid, down from 8,736 in 2008.
- Upskilling – programmes which aim to improve job-related skills, and to increase the client's chance of finding employment. In 2009, clients participated in these programmes 17,389 times, down from 19,693 in 2008.
- Self-employment assistance – programmes offering financial help and advice for long-term unemployed people who are disadvantaged in the local labour market, at risk of long-term dependence on benefits, and moving into self-employment. In 2009, clients participated in these programmes 2,377 times, up from 1,936 times in 2008.
- Innovation and market responsiveness – Work and Income programmes that respond quickly to changing labour market needs and opportunities by helping people gain, or move closer to, employment. In 2009, clients participated in these programmes 5,398 times, up slightly from 5,149 in 2008.
- Extra employment support for people with ill-health or disability – programmes that provide extra assistance to clients, so they can gain or retain employment, training, or self-employment. Help includes grants for special equipment or modifications, treatment or rehabilitation services, and other support required in a job (including wage subsidies). In 2009, clients participated in these programmes 1,516 times, up from 555 in 2008.
- Community activities – programmes to move people towards paid employment by participating in community-based projects. In 2009, clients participated in these programmes 645 times, up from 480 in 2008.

Work and Income also undertakes intensive case management – to assist clients to identify, apply for, and take up suitable work opportunities. This case management is available to a wide range of clients, including many who are not registered as job seekers.

Income

Level of income strongly influences people's well-being and life circumstances. It is a means for people to achieve many economic and social objectives. Information on sources of income and distribution trends, for both individuals and households, is vital for monitoring social change.

Personal income

Personal income is an individual's pay, profit, or other receipts received on an occasional or regular basis. People receive personal income from sources such as wages and salaries, self-employment, investments, government transfers, and private superannuation.

Recession brings pay cuts

Knowing the effect of the recession on market pay rates is important for the present and the future. In the last week of July 2009, 22 percent of 215 positions surveyed were receiving less pay than in 2008, while a further 9 percent had had no increase.

According to the Employers and Manufacturers Association (EMA), which carries out the annual wage and salary survey, the average pay increase for the year overall was 2.5 percent. But the most common increase was less than 1 percent.

Comparing actual dollars paid in 2008 and 2009 showed that new employees were often hired on lower rates than the person they replaced.

Some positions were hit hard. Pay rates for food retail fell 3.3 percent while other retail pay rates were up less than 1 percent.

Increases were more likely to have been targeted at retaining people in skilled positions – for example, pay in engineering roles was up 5.6 percent. “Businesses know that skills are the key to their recovery,” David Lowe, the EMA's employment services manager said.

Total remuneration did not always move in the same direction as base pay rates. In some areas base pay rose but other benefits (such as bonuses and benefits) fell to such an extent that there was an overall reduction in total remuneration.

Redundancy as a reason for leaving employment doubled in 2009, up from 7 percent in 2008 to 16 percent in 2009. And more people were being employed on fixed-term contracts. In 2009, 19 percent left a job because their fixed term had ended compared with 2 percent in 2008.

However, by the end of 2009, 40 percent of surveyed employers were reporting they may hire more permanent staff during 2010.

Source: Employers and Manufacturers Association

Table 14.15

Personal income group ⁽¹⁾ by sex			
People aged 15 years and over			
Year ending 30 June 2009			
Income group	Male	Female	Total
	(000) ⁽²⁾		
Under \$2,100 ⁽³⁾	139.5	193.8	333.2
\$2,100 to \$11,099	113.3	218.7	332.0
\$11,100 to \$16,199	145.6	186.5	332.1
\$16,200 to \$22,599	107.4	222.0	329.4
\$22,600 to \$30,199	130.1	205.1	335.2
\$30,200 to \$37,599	169.3	163.2	332.5
\$37,600 to \$45,899	174.8	159.7	334.4
\$45,900 to \$56,299	187.5	145.1	332.6
\$56,300 to \$75,399	195.6	136.2	331.8
\$75,400 and over	248.9	83.5	332.4
All income groups	1,612.0	1,713.8	3,325.8

(1) Income is before tax, from regular recurring sources only, for those aged 15 years or over. Income groups are deciles (to the nearest \$100) of personal income. Deciles are formed by dividing the population into 10 groups, by ranking individuals in the order of the amount of income they receive. The bottom decile (decile 1) is the 10 percent of the population with the lowest income, while the top decile (decile 10) is the highest 10 percent of the population. (2) People counts are rounded to the nearest hundred. Figures may not add up to stated totals due to rounding. (3) This decile includes loss from investment or self-employment income, or no source of income received.

Source: Statistics New Zealand

Table 14.16

Median weekly earnings			
Full-time wage/salary workers			
by sex and age			
June 2009 quarter			
Age group (years)	Male	Female	Difference
	(\$)		
15-19	550	530	20
20-24	710	660	50
25-29	856	800	56
30-34	1,000	896	104
35-39	1,080	900	180
40-44	1,040	825	215
45-49	1,080	853	227
50-54	1,055	800	255
55-59	990	780	210
60-64	959	771	188
65+	822	681	141
All ages	949	800	149

Source: Statistics New Zealand

Table 14.15 shows the distribution of income, by sex, for the year ending 30 June 2009. More males than females were at the highest income level (\$75,400 or more). There were more males in the top decile than in any other decile. By contrast, the \$16,200-\$22,599 group (decile 4) contained the most females.

Earnings

The major component of an individual's income is what they earn from employment. In the 10 years ending 31 March 2009, Statistics New Zealand recorded a 41.8 percent increase in average weekly earnings, up from \$660.11 to \$935.76.

Table 14.17 shows that male average weekly earnings increased to \$1,020.64 (up 37.3 percent), while female earnings rose to \$840.35 (up 49.1 percent). At 31 March 2009, female average weekly earnings were 82.3 percent of male average weekly earnings, compared with 75.8 percent in March 1999.

Table 14.17

Year	Average weekly earnings								
	By sex								
	Year ending 31 March								
	Male			Female			Total		
	Ordinary time	Overtime	Total	Ordinary time	Overtime	Total	Ordinary time	Overtime	Total
	(\$)								
1999	711.60	31.83	743.43	553.88	9.68	563.56	638.54	21.57	660.11
2000	724.06	31.64	755.70	562.23	11.05	573.28	648.49	22.03	670.52
2001	748.53	31.24	779.77	571.50	11.07	582.57	664.92	21.71	686.63
2002	771.59	32.10	803.70	608.82	11.19	620.02	695.84	22.37	718.21
2003	795.43	34.86	830.29	625.47	11.87	637.34	715.25	24.01	739.27
2004	820.21	33.79	854.01	655.30	11.79	667.09	742.30	23.40	765.70
2005	843.82	35.18	879.00	673.23	11.97	685.20	763.62	24.27	787.89
2006	868.76	34.42	903.18	707.43	10.71	718.14	792.98	23.28	816.26
2007	912.88	34.96	947.85	742.91	11.92	754.83	833.29	24.17	857.46
2008	943.09	36.57	979.66	776.39	13.18	789.56	865.74	25.72	891.46
2009	986.12	34.52	1,020.64	828.60	11.75	840.35	911.96	23.80	935.76

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Household income

Table 14.18 shows the distribution of household income by the composition of the household, for the year ending 30 June 2009. The median annual gross household income was \$63,900 – that is, half the households received more, and half received less than this amount. Almost 89 percent of 'one parent with dependent child(ren) only' households had an income below the median amount.

Most 'couple only' households had an income of \$93,200-\$113,899 (decile 8) for the June 2009 year, while most 'couple with one dependent child' households received \$77,100-\$93,199 (decile 7). In contrast, the greatest number of 'one person' households received under \$20,100 (decile 1).

Income by region

Table 14.20 shows that according to the 2006 Census of Population and Dwellings, people in the Wellington region had the highest median annual income (\$28,000), followed by Auckland (\$26,800) and Waikato (\$24,100) regions.

Wellington region had the highest proportion (24 percent) earning above \$50,000 annually.

Salary and wage rates

Surveyed salary and wage rates (including overtime) for the June 2009 quarter were 2.8 percent higher than a year earlier, as shown in table 14.19. This followed an annual increase of 3.3 percent in the year to the March 2009 quarter.

Pay rates for the private sector for the year to the June 2009 quarter rose 2.7 percent, the lowest annual increase in salary and wage rates (including overtime) for the private sector since a 2.6 percent increase in the year to the June 2005 quarter. The rise for the public sector was 3.6 percent in the year to the June 2009 quarter, down from a 4.3 percent increase in the year to the March 2009 quarter.

Fifty-five percent of surveyed salary and ordinary time wage rates rose in the year ending 30 June 2009. Ten percent of these had an increase of no more than 3 percent, while 28 percent were up by more than 3 percent, but not more than 5 percent, and 17 percent increased by more than 5 percent.

Table 14.18

Income group ^(a)	Household income group ^(a) by household composition										Total ⁽⁶⁾
	Year ending 30 June 2009										
	Household composition										
	Couple only	Couple with one dependent child	Couple with two dependent children	Couple with three or more dependent children	All other 'couple with child(ren) only' households ⁽²⁾	One parent with dependent child(ren) only	All other 'one parent with child(ren) only' households ⁽³⁾	Other one-family households ⁽⁴⁾	One-person household	All other households ⁽⁵⁾	
	Number of households (000) ⁽⁷⁾										
Under \$20,100 ⁽⁸⁾	13.7	2.7	3.1	2.1	S	10.6	S	4.8	118.2	S	160.8
\$20,100 to \$29,399	40.8	S	2.4	4.5	4.7	20.7	3.1	4.4	76.5	S	161.4
\$29,400 to \$39,599	46.3	9.4	5.2	2.9	5.4	24.4	7.7	10.9	45.4	2.6	160.2
\$39,600 to \$51,999	42.2	12.6	16.6	8.6	4.2	17.1	8.6	5.1	37.8	7.9	160.6
\$52,000 to \$63,899	39.7	15.7	17.1	9.1	7.0	11.3	11.2	8.0	30.1	12.4	161.7
\$63,900 to \$77,099	49.0	16.2	18.5	13.8	11.8	7.0	11.6	6.5	14.8	11.4	160.5
\$77,100 to \$93,199	52.3	18.7	20.0	10.6	14.9	S	6.0	11.6	13.4	11.9	161.0
\$93,200 to \$113,899	60.3	13.9	21.0	6.7	18.2	S	4.3	13.5	10.1	14.0	162.4
\$113,900 to \$150,399	47.1	17.7	16.7	10.3	28.7	S	2.1	14.5	7.5	14.5	159.4
\$150,400 and over	45.4	17.2	14.8	10.2	40.2	S	S	13.1	4.2	13.3	161.1
All income groups	436.7	126.2	135.4	78.8	137.9	94.6	56.4	92.5	357.9	92.7	1,609.1

(a) Income is before tax, from regular and recurring sources only, for those aged 15 years or over. Income groups are deciles (to the nearest \$100) of household income. Deciles are formed by dividing the population into 10 groups by ranking households according to the income they receive. The bottom decile (decile 1) is the 10 percent of the population with the lowest income, while the top decile (decile 10) is the highest 10 percent of the population. (2) Includes couple with adult children only, as well as couple with adult and dependent children. (3) Includes one parent with adult children only, as well as one parent with dependent and adult children. (4) Contains all one-family households where 'other people' are present who are related or unrelated to the family nucleus. (5) This category is an aggregation of: two-family household, three-or-more-family households, or any other multi-person household. (6) Total includes the 'not specified' category. (7) Household counts are rounded to the nearest hundred. Figures may not add to stated totals due to rounding. (8) This decile includes loss from investment or self-employment income, or no source of income received.

Symbol: S suppressed, for confidentiality and quality reasons

Source: Statistics New Zealand

Table 14.19

Quarter	Salary and wage rates index (including overtime) ^(a)				
	By sector				
	Local government sector	Central government sector	Total public sector	Private sector	All sectors combined
2007 Sep	1177	1204	1201	1172	1178
Dec	1208	1212	1212	1185	1191
2008 Mar	1217	1225	1224	1193	1200
Jun	1221	1239	1237	1202	1210
Sep	1236	1262	1259	1215	1225
Dec	1241	1273	1269	1223	1233
2009 Mar	1249	1280	1277	1230	1240
Jun	1252	1286	1282	1234	1244
Percentage change from same quarter of previous year					
2007 Sep	2.8	2.6	2.6	3.2	3.1
Dec	4.9	2.3	2.6	3.4	3.3
2008 Mar	4.9	2.9	3.1	3.5	3.4
Jun	4.5	3.8	3.9	3.4	3.6
Sep	5.0	4.8	4.8	3.7	4.0
Dec	2.7	5.0	4.7	3.2	3.5
2009 Mar	2.6	4.5	4.3	3.1	3.3
Jun	2.5	3.8	3.6	2.7	2.8

(a) Base: June 2001 quarter (=1000).

Source: Statistics New Zealand

Labour costs

The labour cost index measures movements in base salary and ordinary time wage rates, overtime wage rates, and non-wage labour costs.

The index began in the December 1992 quarter and is a quality-controlled measure, meaning it reflects only changes in salary and wage rates for the same quality and quantity of work. It excludes increases due to service increments and merit promotions.

Each quarter, businesses in the sample provide information about wage and salary costs for specific job descriptions in a variety of occupations. Businesses also provide information on non-wage labour costs in the June quarter of each year.

The majority of labour costs come from salaries and wages. Labour costs increased by 2.8 percent overall from the June 2008 quarter to the June 2009 quarter. This increase was due to rises of 2.8 percent in salary and wage rates (including overtime), and 2.6 percent in non-wage labour costs.

The rise in non-wage labour costs was due to increases in the cost of annual leave and statutory holidays, superannuation, and other non-wage labour costs. The cost of workplace accident insurance fell.

Table 14.20

Regional council area	Median personal income ^(a)	
	By region 2006 Census	
	Median income (\$)	
Wellington	28,000	
Auckland	26,800	
Waikato	24,100	
Canterbury	23,500	
Marlborough	23,300	
Taranaki	23,200	
Southland	23,200	
Nelson	23,100	
Bay of Plenty	22,600	
Hawke's Bay	22,600	
Manawatu-Wanganui	21,600	
Tasman	21,600	
Otago	21,600	
Northland	20,900	
Gisborne	20,600	
West Coast	20,400	
Area outside region	S	
Total	24,400	

(a) Personal income is for the year ending 31 March 2006, and includes income from all sources.

Symbol: S suppressed

Source: Statistics New Zealand

Tertiary education benefits income

Results from the Employment Outcomes of Tertiary Education (EOTE) feasibility study, released in 2009, showed the financial benefits of tertiary education and training.

Three years after leaving study in 2003, students who had graduated with a bachelor's degree were earning 51 percent more than people with a level 1–3 certificate (upper-secondary equivalent). Students who left with a level 5–7 certificate or diploma earned 16 percent more, and those with a level 4 certificate earned 4 percent more.

People who left study with a master's degree earned 16 percent more than those with a bachelor's degree, three years after leaving.

Overall, earnings for leavers who completed a qualification increased 30 percent between their first and third year of employment. The national median grew 8 percent.

Completing a degree mattered too – students who completed their bachelor's degree earned 29 percent more than those who left without completing their degree.

The field of study made a significant difference to earnings. Compared with a bachelor's degree in humanities, graduates in medical studies earned 2.59 times more three years after leaving study. Other high-earning fields were veterinary studies (1.61 times more), law (1.47), electrical engineering (1.44), pharmacy (1.43), accountancy (1.42), computer science (1.36), and nursing (1.26).

Science subjects earned between 1.22 and 1.30 times more (except biology, 1.12).

Teaching degrees earned 1.27 times more in the first year, but 1.16 times more by the third year.

Degrees in tourism, performing arts, visual arts, and graphic and design arts earned 10–20 percent less than a degree in humanities. However, a degree in communication and media studies earned 11 percent more.

Earnings for students gaining a bachelor's degree from a polytechnic were 8 percent less than for those gaining a degree from a university. This difference was similar both one year and three years after study, and remained the same after adjusting for differences in field of study, age, sex, and ethnic group.

Earnings for people leaving workplace-based industry training during 2003–05 with a level 4 or higher qualification improved more than for those without the industry training. The improvement in earnings four years after training started was greater for males aged 15–24 years (11 percent), than for older males (3 percent), or females (2 percent). For lower-level qualifications, there was a small or no difference in earnings when compared with those not doing industry training.

Source: Statistics New Zealand

Table 14.21

Labour cost index ⁽¹⁾					
By type of cost					
June quarter	Salary and ordinary time wage rates	Overtime wage rates ⁽²⁾	All salary and wage rates ⁽³⁾	All non-wage labour costs ⁽⁴⁾⁽⁵⁾	All labour costs ⁽⁵⁾⁽⁶⁾
2001	1000	1000	1000	1000	1000
2002	1021	1023	1021	1005	1018
2003	1044	1048	1044	1019	1040
2004	1068	1077	1068	1013	1059
2005	1096	1109	1097	1043	1088
2006	1131	1141	1131	1106	1127
2007	1167	1185	1168	1198	1173
2008	1209	1225	1210	1249	1216
2009	1244	1268	1244	1281	1250
Percentage change from June quarter of previous year					
2001	1.8	1.7	1.8	2.3	1.9
2002	2.1	2.3	2.1	0.5	1.8
2003	2.3	2.4	2.3	1.4	2.2
2004	2.3	2.8	2.3	-0.6	1.8
2005	2.6	3.0	2.7	3.0	2.7
2006	3.2	2.9	3.1	6.0	3.6
2007	3.2	3.9	3.3	8.3	4.1
2008	3.6	3.4	3.6	4.3	3.7
2009	2.9	3.5	2.8	2.6	2.8

(1) Base: June 2001 quarter (=1000). (2) Measures changes in rates paid for actual hours worked as overtime in the base period. Some of these pay rates have fallen to ordinary time levels in subsequent quarters. (3) Including overtime. (4) Measures changes in all surveyed non-wage labour costs (ie annual leave and statutory holidays, superannuation, workplace accident insurance, medical insurance, motor vehicles available for private use, and low interest loans). (5) Revisions to series were made in the June 2005 quarter as the result of quality improvement to the non-wage labour cost indexes. (6) Measures changes in all surveyed labour costs (ie all salary and wage rates and all non-wage labour costs).

Source: Statistics New Zealand

The cost to employers of annual leave and statutory holidays rose 0.3 percent from the June 2008 quarter to the June 2009 quarter. In the same period, salary and wage rates (including overtime) increased 2.8 percent. The main reason for the smaller rise for annual leave and statutory holidays is that Anzac Day fell on a weekend in 2009, and so was not a paid holiday for most employees.

Employer superannuation costs increased 30.8 percent from the June 2008 quarter to the June 2009 quarter. The main reason for this increase was change in employer contributions to employees' KiwiSaver schemes, which took effect on 1 April 2009. The changes were an increase from 1 percent to 2 percent in employer minimum contributions, and the removal of an employer tax credit. The latest increase in superannuation costs was also influenced by a 2.9 percent rise in salary and ordinary time wage rates.

Workplace accident insurance costs fell 2.5 percent from the June 2008 quarter to the June 2009 quarter, reflecting decreases in ACC levy rates and a 2.8 percent increase in pay rates.

The other surveyed non-wage costs (which include motor vehicles available for private use, medical insurance, and employer-related low interest loans) are subject to fringe benefit tax. These costs rose 1.7 percent from the June 2008 quarter to the June 2009 quarter. The cost of providing motor vehicles for private use was flat, while the cost of providing medical insurance rose, and the cost of providing low interest loans fell.

Contributors and related websites

Business New Zealand – www.businessnz.org.nz

Department of Labour – www.dol.govt.nz

Employers and Manufacturers Association – www.ema.co.nz

Employment Relations Service – www.ers.dol.govt.nz

Equal Employment Opportunities Trust – www.eeotrust.org.nz

Ministry of Social Development – www.msd.govt.nz

New Zealand Council of Trade Unions – www.union.org.nz

State Services Commission – www.ssc.govt.nz

Statistics New Zealand – www.stats.govt.nz

Tertiary Education Commission – www.tec.govt.nz

Victoria University of Wellington – www.victoria.ac.nz

Volunteering New Zealand – www.volunteeringnz.org.nz

Image removed due to copyright issues

Otago Daily Times

Joel Labes (left) from Dunedin and Souhuy Tran from Wellington attended Otago University's Hands-on Science school for secondary students in 2009. Dr Russell Frew, from the university's chemistry department, introduces them to a fingerprint image as part of a forensics class. The annual school aims to introduce students to options for science study at the university.

15 | Science and technology

New Zealand's science sector has many organisations with specialised roles. These include a policy agency, research-funding agencies, and organisations that carry out research. Research organisations include universities and polytechnics, Crown research institutes, private companies, and research associations.

Ministry of Research, Science and Technology

Research, science, and technology cover a vast territory ranging from mathematics and engineering through to medicine, the social sciences, and the humanities. The successful nations of the 21st century will be those with the ability to develop and exploit new ideas. Science and technology are primary sources of those ideas, and have a central role to play in New Zealand's economic and social development.

The Ministry of Research, Science and Technology Te Manatū Pūtaiao (MoRST) provides advice to the minister and oversees government's investment in research, science, and technology (RS&T).

Policy advice focuses on New Zealand's RS&T system, its performance, and how it may be strengthened for the benefit of New Zealand. MoRST also provides specialist technical advice when government needs a scientific perspective to inform decision making.

MoRST manages the Government's \$745 million investment in research, science, and technology (Vote RS&T) that was made available in the Budget 2009/10 (published May 2009). Advice is given to the minister on priorities for investment, and to ensure systems are in place so the money spent achieves measurable value for New Zealand.

MoRST works to ensure there are strong links between the New Zealand RS&T sector and overseas research interests, as well as with New Zealand businesses and the wider public.

RS&T has a wide reach that includes other government agencies. MoRST's unique role is to focus on the creation and use of scientific knowledge, particularly that which has strategic or long-term relevance to New Zealand's economy, environment, and communities.

MoRST negotiates and manages funding agreements with agencies that invest Vote RS&T funds, notably the Foundation for Research, Science and Technology, the Health Research Council, and the Marsden Fund, which is administered through the Royal Society of New Zealand.

Research and development expenditure increases

New Zealand's total research and development (R&D) expenditure for 2008 was \$2.1 billion, according to the Research and Development Survey. This was up 17 percent from the \$1.8 billion reported two years previously.

Nineteen percent of R&D carried out in the 2008 reference period was for the benefit of New Zealand's primary industries. The 2008 survey adopted a different breakdown for information, based on the purpose of research being undertaken and the areas of the economy that benefit. This change will facilitate more detailed and consistent reporting of R&D activities across New Zealand and Australia.

The business sector continues to carry out the majority of R&D, accounting for over \$900 million of all R&D undertaken. Other areas set to benefit from R&D are manufacturing, health, environment, and information and communication services. Each of these areas represented 10 percent or more of the R&D expenditure in the 2008 reference period.

While the business sector undertook the most R&D, the proportions of R&D funded by the business, government, and university sectors remained steady between 2006 and 2008. The government sector funded 43 percent, just ahead of the funding from the business sector, at 40 percent.

The Research and Development Survey 2008 was a joint survey with the Ministry of Research, Science and Technology, and was conducted by Statistics NZ.

Source: Statistics New Zealand

Research and development expenditure As a percentage of GDP 2008

Country	Percent
Australia ⁽¹⁾	2.06
Austria	2.67
Belgium	1.92
Canada	1.84
Czech Republic	1.47
Denmark	2.72
Finland	3.49
France	2.02
Germany ⁽²⁾	2.53
Greece ⁽²⁾	0.58
Hungary ⁽²⁾	0.97
Iceland	2.65
Ireland	1.43
Italy	1.18
Japan ⁽²⁾	3.44
Korea ⁽²⁾	3.21
Luxembourg	1.62
Mexico ⁽²⁾	0.37
Netherlands ⁽²⁾	1.71
New Zealand⁽²⁾	1.21
Norway	1.62
Poland	0.61
Portugal	1.51
Slovak Republic	0.47
Spain	1.35
Sweden	3.75
Switzerland ⁽³⁾	2.09
Turkey ⁽²⁾	0.58
United Kingdom	1.88
United States	2.77

(1) Figure is for 2006. (2) 2007. (3) 2004.

Source: OECD Main Science & Technology Indicators 2009

The dynamics, performance, and outputs of the RS&T system are assessed through regular surveys and evaluations, and this information is used to shape policy advice.

MoRST maintains an overview of the system, stays in touch with trends in science, keeps in contact with research teams, and provides a link between the RS&T sector and government.

Crown Ownership Monitoring Unit

The Crown Ownership Monitoring Unit (COMU) was established in November 2009, bringing together the ownership monitoring, appointments, and governance functions of the Treasury and the former Crown Company Monitoring Advisory Unit into an integrated unit of the Treasury.

COMU is focused on improving the performance of the entities it directly monitors, supporting other monitoring agencies, and contributing to better balance sheet management across the Crown's portfolio.

In doing this, COMU collaborates closely with other Treasury teams, with performance-monitoring and assurance agencies in the wider state sector, and with the private sector.

Investment in research, science, and technology

Research and development (R&D) in New Zealand is funded by the government, universities, and the private sector. Total 2009/10 government R&D funding, including general university funds and local government funding, was estimated to be \$1,069 million. Major government R&D funding sources in 2009/10 included Vote Research, Science, and Technology (\$664 million of R&D funding, plus \$81 million supporting research and development) and Vote Education (\$280 million).

Government R&D funding was estimated to be 0.51 percent of gross domestic product (GDP) in 2007/08. Government-sourced funds provided 43 percent of total national R&D funding.

New Zealand's low level of business expenditure on R&D has become a greater focus for MoRST. New Zealand businesses were estimated to have funded \$913 million of R&D in 2007/08 (0.51 percent of GDP), which is approximately one-third of the Organisation for Economic Co-operation and Development (OECD) average (1.59 percent of GDP).

Vote Research, Science, and Technology

Vote Research, Science, and Technology is structured to invest in a range of expense classes, that show both the diversity and flexibility of government investment. In 2008, the structure was made up of output expenses listed here.

Research for industry (RFI) aims to increase the competitiveness of New Zealand industries and sectors, such as the food and fibre industries, manufacturing, and services industries. It also funds

Image removed due to copyright issues

The New Zealand Herald

Research by Dr Matthew Goddard at the University of Auckland may help make New Zealand wines even more distinctive. He is studying yeasts that are naturally present in grapes – this one is *S. cerevisiae*.

infrastructure that supports economic development, and helps public-private research partnerships that encourage interaction with users at an early stage and increase private investment in New Zealand.

For example, RFI helped support work carried out by Plant & Food Research, a Crown research institute, to develop intelligent sensing labels for predicting fruit ripeness. New Zealand company Ripesense Ltd is now selling the world's first fruit ripeness indicator. The label containing the sensor reacts to aromas released by fruit – the sensor changes colour as the fruit ripens. This allows consumers to choose fruit at their preferred state of ripeness. The sensors are being rolled out through the United States, Germany, Switzerland, the United Kingdom, Australia, and New Zealand, with potential to earn at least \$12 million a year.

The RFI budget was \$214.3 million in 2009/10.

The **New Economy Research Fund** (NERF) funds basic research that has the potential to create advanced technological platforms that can support new and emerging industries. Researcher-led innovation develops capability and knowledge in new areas, or applications where industries are emerging or yet to emerge.

Investments through this fund have helped the University of Auckland's Bioengineering Institute become a world leader in developing and commercialising medical computation and modelling technologies for use in diagnostic and therapeutic applications. The investments helped further earlier university research and led to new diagnostic instruments and application software.

The NERF budget was \$73.0 million in 2009/10.

Technology New Zealand (TechNZ) supports businesses to enhance their technological capability through the development and adoption of new technologies and new technological business practices. TechNZ is the Foundation for Research, Science and Technology's business investment programme.

TechNZ R&D funding helped New Zealand company Endace improve its world-leading technology and contributed to it creating 100 high-tech jobs in New Zealand. Endace's technology enables its customers to capture, inspect, and analyse 100 percent of the traffic passing across their high-speed networks. With Internet crime, virus threats, and an ever-increasing demand for network performance, the company has had rapid growth in demand for its product. Endace has customers in over 30 countries and staff in the United Kingdom, United States, Singapore, and Australia as well as New Zealand.

The TechNZ budget was \$47.4 million in 2009/10.

The **Pre-Seed Accelerator Fund** (PSAF) aims to accelerate commercialisation of research from publicly funded research.

PSAF was used to help biosensor technology company SciTOX overcome technical challenges and prepare their technology for the market. The company was founded on research carried out by the Biosensor Research Team at Lincoln Ventures Ltd. SciTOX has developed technology that uses micro-organisms to measure toxicity levels in waste, which helps authorities more accurately measure pollutants in trade waste. Their ALPHA toxicity analysis device was launched internationally in April 2009. The company has a network of distributors around the world to support its products.

The PSAF budget was \$7.8 million in 2009/10.

National Measurement Standards funds the Measurement Standards Laboratory to provide traceable physical measurements. These include the specified national measurement standards and related services needed to satisfy accurate measurement and internationally accepted standards for New Zealand products, processes, and services.

The laboratory's budget was \$5.8 million in 2009/10.

The **Marsden Fund** supports the advancement of knowledge by supporting research that explores the frontiers of new knowledge and offers new insights in the physical, life, mathematical, and social sciences, and the humanities.

Supported by the Marsden Fund, a team from Victoria University studied what stops people from being able to speak when they have aphasia, a language disorder that commonly occurs after a stroke. The study analysed the individual mental components of speaking to find out where the language process breaks down: thinking of an idea, recalling which words best express the idea, how they should be pronounced, and the actual mouth and vocal movements needed to say the words. Two particular tests on the way people think about words showed considerable differences between individuals. Research results may enable a more efficient way to target problems and develop new treatments for aphasia. The research is part of work towards a better understanding of mind, brain, and language.

The Marsden Fund budget was \$46.8 million in 2009/10.

The **Crown Research Institute Capability Fund** helps Crown research institutes (CRIs) to maintain and develop their capability to fulfil their purpose.

A capability fund allocation helped the National Institute of Water and Atmospheric Research (NIWA) support the aquaculture industry. NIWA carried out work that includes the ecology of near-shore areas, beach sedimentation, the impact on coastal regions from river sediment

The wonder of Weta's world

When it comes to making magic on the silver screen, a New Zealand company's revolutionary technology, innovative techniques, and dedication to excellence have made them the best in the world.

Weta Digital has won a host of awards, including four Oscars, for work on films such as the *Lord of the Rings* trilogy and *King Kong*. It also led the stunning digital effects work on *Avatar* – the highest grossing movie ever.

With *Avatar*, research and development (R&D) investment led to the technological advancements required for a new level of photorealism and motion capture on a virtual stage. New technologies for supporting software were developed, and a new production pipeline introduced, to reach the creative and technological excellence needed to deliver the film in 3D.

To make the film work, the world of Pandora had to be brought to life, complete with alien creatures, plants, and landscapes. An entire cast of unique digital characters was created – characters that could convey the story's emotional weight and express the subtleties of each actor's performance.

The scale, detail, and complexity of the photo-real computer-generated (CG) work in *Avatar* allows the viewer to suspend disbelief in a film where the vast majority of images are CG. The credit belongs to technological advances that stretch from the motion-capture process to final rendering.

One big change was the move from marker-based facial capture to image-based. Image-based facial capture allows the actor's performance to be interpreted on a frame-by-frame, almost pore-by-pore level. Weta Digital carried out R&D to create software to gather the information from one lightweight camera – one that was unobtrusive to the actors during performance. The software allowed director James Cameron to see the facial performances streamed-in live while working with the actors.

Weta's success has created hundreds of jobs (up to 950 people worked on *Avatar*), put millions of dollars into New Zealand's economy, and enhanced the country's reputation for world-class innovation.

A new challenge for Weta Digital is to create the next generation of technology to make digital faces more realistic, and to improve productivity so the company can work on more projects at the same time. A \$5.8 million grant from the Foundation for Research, Science and Technology's TechNZ business investment programme was awarded to the company in June 2009 to help do this. This is part of a \$15 million R&D fund managed by Weta Digital, which aims to connect with other researchers and organisations in New Zealand and around the world.

Source: MoRST

New focus on science

Image removed due to copyright issues

In May 2009, Prime Minister John Key appointed Professor Sir Peter Gluckman (above) to a new role as the prime minister's chief science adviser. Sir Peter is a distinguished scientist, and is Professor of Paediatric and Perinatal Biology, and Director of the National Research Centre for Growth and Development at Auckland University.

"Our prosperity relies to a large degree on our ability to make the best use of our scientific expertise," said Mr Key when he announced the role. "The appointment of a chief science adviser delivers on the Government's goal of putting science at the heart of our decision making."

The chief science adviser provides the prime minister with a direct line to scientific advice. The role is independent of other government science appointments, and is designed to complement existing channels of advice, such as government departments and the Royal Society.

In 2009, the Government also introduced the prime minister's science prizes – five annual prizes totalling \$1 million – to raise the profile and prestige of science among New Zealanders. The awards are:

- The Prime Minister's Science Prize – to an individual or team that has made an outstanding discovery or achievement in science that has had a significant impact on New Zealand.
- The Prime Minister's MacDiarmid Emerging Scientist Prize – to a scientist, within five years of completing a doctorate, who is carrying out leading-edge science.
- The Prime Minister's Science Teacher Prize – to a science teacher for outstanding achievement in teaching science.
- The Prime Minister's Future Scientist Prize – to a secondary school student for outstanding achievement in carrying out a practical and innovative research or technology project.
- The Prime Minister's Science Media Communication Prize – to an individual to further develop their knowledge of science media communication.

The inaugural prizes were awarded in March 2010.

Source: Department of the Prime Minister and Cabinet

plumes, analysis of the food web, and remote sensing of the impact of land use on coastal regions. It has also started a study with a local iwi (tribe) on the management of shellfish habitats in the Kaipara harbour.

The budget for all eight CRIs was \$60.6 million in 2009/10.

Supporting Promising Individuals (SPI) supports the career development of talented people in New Zealand's RS&T sector. It provides opportunities for them to expand their knowledge, acquire new skills, and explore new ideas. SPI consists of many schemes.

For example, Thomas Lotz received support from this fund to work on a new breast cancer imaging technology being developed at the University of Canterbury. The technology is digital image-based and is a non-invasive approach to detect breast cancer. The method does not require x-rays, but instead uses digital cameras to image vibrations on the surface of the breast. Depending on the vibration pattern observed, an area with a potentially cancerous inclusion can be identified. Using computer software, the location and size of the tumour can then be calculated.

The SPI budget was \$19.4 million in 2009/10.

International Science and Technology Linkages Fund (ISAT) promotes and supports New Zealand RS&T internationally by accessing and using the best global ideas, and encouraging New Zealanders to use international linkages to enhance knowledge and innovative capacity.

In January 2009, a science and technology cooperation agreement between New Zealand and the European Union came into force, making 2008/09 an important year for the New Zealand-European science relationship. ISAT funding supported a significant and successful New Zealand delegation at the inaugural Joint Science and Technology Cooperation Committee meeting. The meeting set a two-year work programme to support New Zealand-European collaboration in mutually important areas. New Zealand signed a reciprocal agreement with the European Cooperation in Science and Technology initiative, to enable New Zealand scientists to participate in conferences. ISAT also supports New Zealand researchers involved in the International Research Staff Exchange Scheme, which is part of the European Union Seventh Framework Programme.

The ISAT budget was \$3.2 million in 2009/10.

International Investment Opportunities Fund (IIOF) supports the ability of research providers and funders to participate in international research collaborations and recruit highly experienced researchers from overseas.

The fund supported collaboration between Chinese researchers and NIWA on complementary aquaculture, which resulted in transferring Chinese sea cucumber culture technology to New Zealand. This was then adapted for a New Zealand sea cucumber species to grow underneath mussel and salmon farms. The project is co-funded by industry, and is expected to increase export earnings by growing new species for lucrative Asian markets. It also has potential to improve the environmental performance and marketability of New Zealand's aquaculture products.

The IIOF budget was \$10.1 million in 2009/10.

Environmental Research builds understanding about New Zealand's ecosystems, the biophysical and human environments, and sustainable management of the environment by the production sector.

The fund has contributed to data collection improvements using satellite imagery, which provides reliable information for a range of uses. Horizons Regional Council used satellite imagery to identify a highly erodible area of farmed hill country that needed soil conservation work. By targeting this area, the council expects to save up to \$35 million.

The Environmental Research budget was \$102.6 million in 2009/10.

Health Research supports public-good RS&T to improve the health of New Zealanders.

For example, a review of research studies into the quality of public hospital care in New Zealand highlighted clear disparities for Māori inpatients in several clinical areas. A University of Otago study reviewed 11 studies examining the issue of quality of care and ethnicity for specific conditions and procedures within the public hospital system.

The Health Research budget was \$71.0 million in 2009/10.

Social Research supports public-good RS&T to improve social well-being.

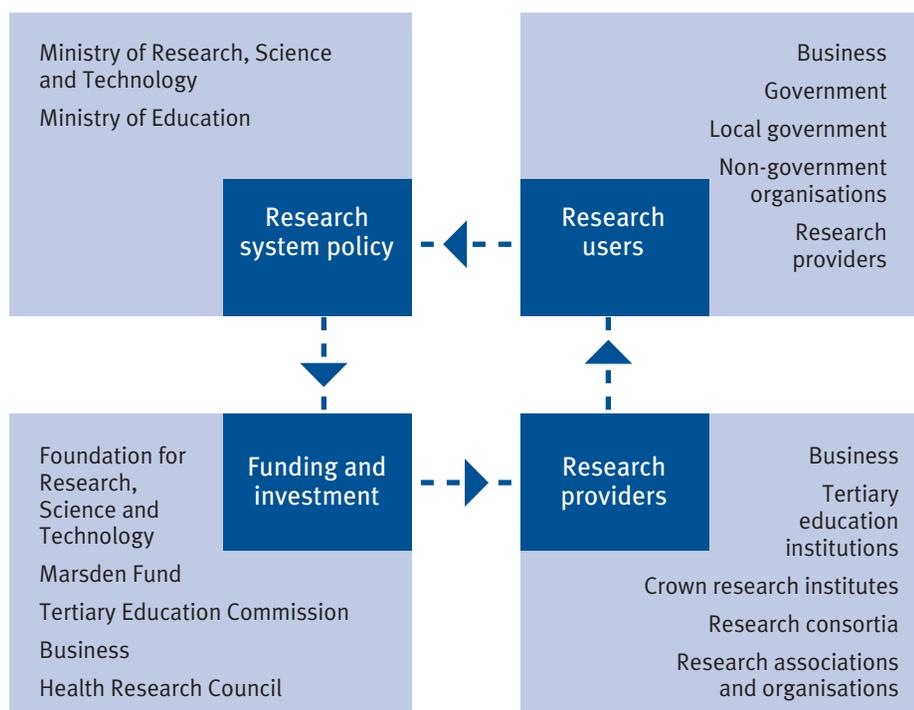
This fund made it possible for a partnership between the University of Waikato and the Family Centre Social Policy Research Unit to undertake the Enhanced Wellbeing in an Ageing Society project. The project aimed to improve the well-being of older people, by providing new knowledge to help develop policies and interventions that will achieve the best possible outcomes for all age, sex, and ethnic groups in an ageing New Zealand society. Findings from this study have been shared with a number of government agencies and community organisations.

The Social Research budget was \$5.9 million in 2009/10.

Shaping the system Less than 5 percent (\$35.6 million in 2009/10) of the Government's total RS&T investment is spent on 'shaping the system' and research contract management. This funding supports agencies that advise the government on policies for R&D and innovation, and provides management and monitoring of the government's investment in RS&T. It also allows the Minister of Research, Science and Technology to take a wider view across the entire RS&T system.

Figure 15.01

New Zealand's research, science, and technology system



Source: MORST

Foundation for Research, Science and Technology

The Foundation for Research, Science and Technology Tuapapa Rangahau Putaiao is a Crown entity governed by a board that is appointed by the Minister of Research, Science and Technology.

The foundation is responsible for investing around \$500 million a year in science and technology research on behalf of the government. Its investments support New Zealand's long-term future by generating economic growth, building scientific capability, and creating knowledge. It provides funding to research organisations and universities, businesses, scholars and students, industry groups, and local government.

The Foundation for Research, Science and Technology Act 1990 governs its operations. The foundation's functions are to:

- allocate funds to public-good science and technology projects
- allocate funds under ministerial schemes
- provide independent policy advice to the minister on research, science, and technology matters.

The foundation's board decides where to invest, based on strategies that reflect the high-level direction set by the government, the input of independent advisory groups, and its own multi-dimensional perspective of the research, science, and technology sector.

Royal Society of New Zealand

The Royal Society of New Zealand is the national academy providing an independent voice for science and technology in New Zealand. Established in 1867 as the New Zealand Institute, the society is incorporated under a private Act of Parliament.

It promotes public awareness of science and technology; advances science and technology education; provides informed advice on important science issues; awards prestigious scholarships, grants, and medals; publishes high quality New Zealand research; develops international collaborations; and manages significant contracts for the New Zealand Government, including the Marsden Fund, teacher fellowships, James Cook Research Fellowships, and the Science Media Centre.

Membership includes elected fellows, 10 regional branches, and 60 constituent scientific and technological societies.

New Zealand Venture Investment Fund Ltd

The New Zealand Venture Investment Fund (NZVIF) was established as part of the Government's 2001 Budget and became a Crown-owned company in July 2002 – the New Zealand Venture Investment Fund Ltd. The fund administers two equity investment programmes on behalf of the government: the Venture Capital Fund and the Seed Co-investment Fund.

Technology helps blind people with access

Cutting-edge technology that gives blind people access to public spaces has been developed by Christchurch company Povid.

Povid's SoundPost Orientation System is an infrared-based direction finding system that helps blind and visually impaired people to walk in a direct line to a given point. A base station placed in key positions, such as above doorways and at traffic crossings, emits signals that are picked up by a hand controller carried by a blind person.

The hand controller is about the size and weight of a cellphone. When it detects a base station the device beeps or vibrates. It can also provide recorded voice information that gives more details, such as "escalator" or "entry".

The technology is a world first and fills the gap between talking global positioning systems that allow blind people to get to a public space and the white cane or guide dog that helps them avoid obstacles. To help develop the technology, Povid received funding from TechNZ, the Foundation for Research, Science and Technology's business investment programme.

The company's goal was to design a product that is affordable for the user, and at the same time is a low-cost option for those responsible for making open space environments accessible.

Christchurch City Council is Povid's first client. The council has installed SoundPost base stations in the city's cultural precinct, including the Arts Centre, the Cathedral, and the Square.

Povid expects keen global interest in its technology and already has a sales partner in the United States.

Source: Foundation for Research, Science and Technology

Funding for science

The **Marsden Fund** was established by the government in 1994 to fund fundamental research of excellence. It is a contestable fund administered by the Royal Society of New Zealand on behalf of the Marsden Fund Council.

Marsden Fund research benefits society as a whole by contributing to the development of researchers with knowledge, skills, and ideas. The research is initiated by the researchers and not subject to government's socio-economic priorities.

The fund supports research projects in science, technology, engineering and maths, social sciences, and the humanities. Competition for grants is intense as Marsden is regarded as the hallmark of excellence for research in New Zealand.

In 2009 the fund received a \$9 million boost and was able to invest \$66 million in 111 research projects, its largest investment ever. Almost one-third of the awards were Marsden Fast-Starts, designed to support outstanding researchers early in their careers.

Projects funded in the 2009 round will give answers to questions such as 'what happens when a volcano erupts?', 'how has tangihanga [Māori funeral rites] practice changed through time?', and 'how and when do children put emerging language skills and memory together?'

The **Rutherford Foundation** was established by the Royal Society of New Zealand in 2008. It provides early career support for New Zealand researchers through funding doctoral scholarships to Cambridge University, jointly with the Cambridge Commonwealth Trust, and post-doctoral fellowships.

Aptly named after one of New Zealand's top scientists, Ernest Rutherford, the foundation's first scholars have followed in his footsteps by entering Cambridge University.

An important aim is to retain and attract home New Zealand's best emerging scientists. In 2009 the inaugural Distinguished Fellowship, a research grant of \$250,000, was offered to Dr Alan Davidson from the Harvard Medical School. He returns to New Zealand to re-establish a research career at the University of Auckland Medical School in late 2010.

The New Zealand Government has pledged a contribution of \$1 million per year, with private and corporate donors also contributing funds.

Source: Royal Society of New Zealand

The Venture Capital Fund is a \$160–\$200 million investment programme to accelerate development of the venture capital market in New Zealand. NZVIF invests its capital, alongside private investors, in selected venture capital investment funds operated by professional fund managers. Each fund operates for 10 years, investing in a portfolio of New Zealand companies with high growth potential and assisting those companies to build and develop successful commercial strategies. The programme targets early-stage venture capital investment, and a buy-out option for investors is an integral aspect of the programme.

The Seed Co-investment Fund provides seed funding for early stage businesses with strong potential for high growth. The fund is managed by NZVIF and has \$40 million of seed funding available for co-investment alongside selected private investor groups. There is an upper funding cap of \$250,000 per investment, with a requirement for at least 50:50 matching funding from private investors.

University funding

Expenditure by New Zealand universities on R&D in 2007/08 was estimated at \$643 million – 30 percent of New Zealand's total expenditure on R&D. Of this, \$142 million was general university funds from the Vote Education allocation, \$262 million was from government research contracts, and \$177 million came from universities' own funds (which include student fees). The remainder came from business, overseas, and other sources.

Research agencies

Crown research institutes

There are eight autonomous Crown research institutes (CRIs). Government-owned, they are collectively New Zealand's largest science enterprises and employ two-thirds of publicly funded science researchers (other than in health, and information and communication technology). Each manages its own assets and has its own independent board of directors reporting to shareholding ministers. Their purpose is to do research of benefit to New Zealand, while remaining financially viable. The shareholding ministers are the Minister of Research, Science and Technology and the Minister of Finance.

CRIs employ more than 4,262 staff and directly generate revenue of more than \$675 million, gained by competing for public and private sector business. Additionally, their research and commercial activity underpins the economic, environmental, and social values being created by businesses, departments, and central and local government agencies. CRIs returned an after-tax and non-operating items surplus of \$17.6 million for the year ending 30 June 2009, and paid dividends of \$9.2 million.

Science New Zealand coordinates policy and advocacy on matters of shared interest among its CRI members, and liaises with other science-related enterprises, such as businesses, universities, and research associations.

Image removed due to copyright issues

Manawatu Standard

AgResearch scientist Kirsty Hammond is researching how methane in sheep burps is affected by different factors, including what food is eaten and how much time the food spends in a sheep's gut. Scientists want to reduce methane production because it is responsible for about one-third of New Zealand's greenhouse gas emissions, a greater proportion than for other developed countries.

Scion Scion's mission is to improve the international competitiveness of the New Zealand forest industry and build a stronger bioeconomy.

The CRI contributes to the sustainable economic development of New Zealand by focusing on four strategic goals:

- Increase the profitability of New Zealand's forest industries – ensure the return on investment from the New Zealand forest industries increases in line with sector plans. Help expand the sector in new, higher-value markets and take advantage of economic benefits offered by environmental services at Scion.
- Optimise the value of marginal land – help inform land owners and policy makers, through science and decision-support tools, about land-use options to extract multiple benefits from marginal land.
- Accelerate the growth of the bioeconomy – focus on market-led opportunities that provide competitive advantage for lignocellulosic and biopolymer-based products. Ensure appropriate support for bioeconomy strategies and frameworks through actively engaging with policy makers and interested parties.
- Maximise the quality and impact of Scion's science – foster a culture of innovation by investing in high-performing individuals and teams, and providing a research environment that encourages collaboration. Scion actively engages with local, national, and international communities through partnerships and communication of science.

With approximately 340 staff, Scion has its headquarters in Rotorua, and offices in Christchurch, Wellington, and Auckland.

AgResearch (AgResearch Ltd) is New Zealand's largest Crown research institute. It has a number of farms and renowned research centres: Ruakura, Grasslands, Lincoln, and Invermay, and most importantly, teams of scientists, engineers, technicians, and support staff. Work targets the key opportunities and issues faced by the farming, food, textiles, and biotechnology sectors, and leads to innovative products and knowledge that benefit all New Zealanders. AgResearch's mission is to create sustainable wealth in the pastoral and biotechnology sectors through science and technology.

The pastoral sector is the backbone of New Zealand's economy and its continued success is essential to the living standard of all New Zealanders. AgResearch was established in 1992 as a government-owned company charged with operating on a full commercial basis. The company has about 1,050 permanent staff members, nearly 300 of whom hold a doctorate. It uses a range of vehicles to commercialise its technologies, including subsidiary companies, associate companies, unincorporated joint ventures, incorporated joint ventures, and partnerships.

Plant & Food Research Rangahau Ahumāra Kai is a New Zealand-based science company formed in December 2008 through the merger of HortResearch and Crop & Food Research.

With over 900 staff based at sites across New Zealand and in Europe, the United States, and Australia, Plant & Food Research provides R&D that adds value to fruit, vegetable, crop, and food products.

Research and commercial partnerships cover a broad spectrum of disciplines and industry sectors – from molecular biology to nutrigenomics, and fresh fruit to high-value seafood products. At the heart of Plant & Food Research is a goal to strengthen the growth of plant- and marine-based industry in New Zealand and offshore through successfully applying and commercialising research-based innovation.

Key areas of research include elite cultivar development, sustainable production systems, and bioprotection. This science supports the production of high-quality produce that earns a premium in international markets. Research into food science and consumers drives the design and development of new and novel functional foods that offer benefits to human health and well-being.

Landcare Research (Landcare Research New Zealand Ltd Manaaki Whenua) has approximately 400 staff at nine locations in New Zealand. As New Zealand's foremost environmental research organisation, its research and technology development is focused on enhancing sustainable resource management in the natural, primary-producing, urban, and business environments. Because research is directed towards sustaining the environment, the company is conscious of managing and mitigating any adverse impact of its activities.

The cornerstones of activity are:

- generating and sharing new knowledge from scientific research
- integrating environmental, social, and economic sciences to maximise valuable outcomes
- proactively working in partnership with government, business, communities, and Māori
- practising the sustainability principles the company espouses.

Research is strongly aligned to key terrestrial environmental issues that New Zealand and many other countries face, which are:

- conserving and restoring biodiversity and the healthy resilience of natural ecosystems
- reducing pest, disease, and weed impact on the natural and managed environments
- understanding, mitigating, and adapting to the impact of climate change

Science news

New insights into lost giants – scientists have gained new insights into two giant extinct birds that once perched at the top of New Zealand's pecking order: the moa and Haast's eagle.

Ancient feathers have revealed the colour of four species of moa, after the first DNA-based reconstruction of the birds. Researchers from New Zealand's Landcare Research and the University of Adelaide showed many species had plain brown plumage, but some had white-tipped feathers.

Co-author of the study, Landcare's Dr Jamie Wood, says it is likely the colouring was camouflage to avoid Haast's eagle, the largest and most powerful eagle ever.

New understanding of the eagle was gained by Canterbury Museum's Dr Paul Scofield and the University of New South Wales' Professor Ken Ashwell. They used medical CT scans to reconstruct the arrangement of its brain, eyes, ears, and spinal cord.

The eagle was then compared with modern predatory and scavenging birds to determine its habits. It did attack its prey – which is consistent with Māori legends of a human-killing bird.

Bacterial betting – it's not just smart gamblers who hedge their bets – research shows that bacteria do it too.

An international team that included Professor Paul Rainey from the New Zealand Institute of Advanced Study at Massey University has revealed new information about adaptation, by showing that bacteria 'hedge their bets' about the future.

The bacteria were exposed to different conditions within a short time. Some of the organisms evolved several different types of colonies to cope with the uncertainty of future environments. Professor Rainey says this rapid, repeatable evolution suggests that bet hedging could have been among life's earliest adaptations to uncertainty.

Nothing fishy about food ingredient – a New Zealand-developed ingredient that gives the benefits of brain-boosting omega-3, but without the fishy taste or smell, is being marketed around the world.

The Riddet Institute's omega-3 emulsion technology is marketed by a major multinational company to food product manufacturers in the United Kingdom, Europe, and North America.

Omega-3 is a fatty acid that is found in fish oil and has many health benefits. As well as allowing the oil to be added to foods without leaving a fishy odour or flavour, the technology allows a longer shelf life for products containing the ingredient.

Cracking the cow code – New Zealand scientists have helped map the blueprint of one of the pillars of this country's economy – the cow.

A massive international collaboration saw the bovine genome mapped, research that will transform how cattle are selected and bred. Major gains in areas such as meat and milk production, and disease resistance, are expected.

AgResearch, Meat & Wool New Zealand, DairyNZ, stud breeders, and the Livestock Improvement Corporation all contributed to the project.

Source MoRST

Counting under the surface

The National Institute of Water & Atmospheric Research (NIWA) is a major contributor to the Census of Marine Life, an international science research programme with the aim of assessing and explaining the diversity, distribution, and abundance of marine life.

There are 14 census field programmes, each examining different realms of the ocean. NIWA hosts CenSeam, a global census of marine life on seamounts (undersea mountains). CenSeam has an international network of more than 500 scientists, policy makers, and conservationists working towards increasing our understanding of seamount ecosystems, and identifying the potential impact of human activity and climate change. CenSeam is also one of the five deep-sea census programmes that are studying the ocean at depths well below where light reaches.

In 2009, NIWA researchers sailed to the Graveyard and Andes seamounts to investigate differences in biodiversity between north-western and eastern regions of the Chatham Rise. [The Chatham Rise is a large underwater plateau stretching 1,400 kilometres east to the Chatham Islands. Its ridge is about 350–400 metres below the sea's surface while the base is on the sea floor at about 3,000 metres depth.]

By continuing observations in the north-west Chatham Rise over time, researchers are examining how deep-sea communities may change and how this may affect the way seamount fisheries are managed.

Deep-towed cameras revealed dense and vibrant coral growths on some seamounts – corals which can support a varied invertebrate community, including sponges, seastars, and even worms that live within the coral.

Combined with discoveries in other parts of the world, by November 2009 a total of 17,650 species had been documented to live in the deep sea.

Scientists have also been examining more than 43,000 specimens from Antarctic waters that were collected as part of the Census of Antarctic Marine Life – including at least 25 species that are new to science.

In October 2010, after 10 years of research, scientists involved in the Census of Marine Life met in London to present answers to the 'big' questions that have driven the programme: what lived in the ocean, what lives in the ocean, and what will live in the ocean?

Source: NIWA

- sustaining the long-term health of soils, waterways, and landscapes for the continued viability of rural environments
- enhancing urban biodiversity and developing low-impact approaches for built environments
- fostering environmentally sustainable and globally competitive business practices.

GNS Science (Institute of Geological and Nuclear Sciences Ltd Te Pū Ao) is New Zealand's leading supplier of earth and isotope scientific research and consultancy services. As well as public-good research, activities include: resource evaluation for the petroleum exploration industry; assessment and mitigation of natural hazards; geological mapping; engineering geology; geophysical surveys; assessment and development of geothermal fields; assessment of groundwater quality and quantity; environmental chemistry; marine geology; and the application of isotope sciences to age dating and to the medical, environmental, and manufacturing industries.

GNS Science has a 130-year history in earth sciences. It has 376 staff, with offices in Wellington, Wairakei, and Dunedin. The library, databases, and fossil collections are of national importance.

GNS Science has 12 science sections: earthquakes, volcanoes, and tectonics; environmental isotopes; geohazards monitoring; geohazards solutions; geothermal; groundwater; hydrocarbons; isoscan; mapping; ocean exploration; paleontology and environmental change; and volcanology.

IRL (Industrial Research Ltd Te Taihū Pūtaiao) provides research, science, and advanced technology support to industry to enhance performance and add value to the New Zealand economy. At IRL's core is innovation based on world-class science and engineering.

IRL research serves a range of industry sectors with emphasis on specialty manufacture, energy product and distribution, bio-manufacture, translational medicine, specialist food processing, communications, and the construction and engineering sectors.

IRL's work with industry covers R&D, pilot-scale production, consultancy services, commercialisation of technology, testing and calibration, and sales and licensing. IRL works with industries that range from a small company with a bright idea, through to some of New Zealand's largest companies that need R&D support to succeed in the international marketplace.

NIWA (National Institute of Water and Atmospheric Research Limited Taihoro Nukurangi) is an environmental science research organisation. It was established as a Crown research institute in 1992, and operates as a stand-alone company with its own board of directors. In 2009, NIWA had 748 staff at 15 sites around New Zealand and at Perth, Australia; revenue of \$120 million; and assets of \$115 million.

NIWA's staff are leaders in environmental science. Their research provides the basis for sustainable resource management, and their scientific services help clients solve problems in a vast array of situations.

NIWA's work is delivered through national centres. Areas of expertise include:

- atmosphere – the physical and chemical processes affecting the atmosphere and climate, including stratospheric research and atmosphere-ocean interactions, greenhouse gases, and UV (ultraviolet) and ozone research
- aquaculture and biotechnology – species breeding, early life history, growth and survival, hatchery technology, and other research designed to support the industry's aim of becoming a billion-dollar export earner by 2025
- aquatic biodiversity and biosecurity – biodiversity surveys, aquatic pests, introduced species, toxic algae, ecosystems including seamounts, DNA analysis
- climate – climate monitoring, seasonal climate outlooks, adaptation to climate change, climate change projections, sea-level rise, glaciers
- coasts – the geological, biological, and physical properties of coastal waters, estuaries, and harbours; seafloor mapping, coastal development, and pollution
- energy – renewable energy, energy efficiency, vehicle emissions, air quality, hydro inflows
- fisheries – fisheries stock assessment, fisheries modelling and population dynamics; fish biology, ecology, genetics, and pathology
- fresh water – the chemistry, physics, and biology of lakes, rivers, and wetlands; the complex interactions influencing these ecosystems and their response to environmental disturbances; water quality and quantity, algal blooms
- te kūwaha o Taihoro Nukurangi – Māori development, iwi/hapū (tribal) partnerships, unlocking innovation, building resilience, improving Māori research capability
- natural hazards – floods and droughts, extreme weather, coastal erosion, undersea earthquakes and landslides, tsunamis
- oceans – the geological, biological, and physical properties of oceans; seafloor mapping, wave forecasting, tides, currents, continental shelf, submarine volcanoes
- Pacific Rim – partnerships in environmental science with Pacific nations.

NIWA's head office is in Auckland, the main research campuses are in Auckland, Hamilton, Wellington, Nelson, Christchurch, and Lauder (Central Otago), and there are field offices in smaller centres. The company has a subsidiary in Australia, which manufactures environmental instruments, and a vessel company that owns and operates the deepwater research vessel *Tangaroa* and the coastal research vessels *Kaharoa* and *Ikatere*.



NIWA's research vessel *Tangaroa* uses a fan of sound beams to build up a 3D picture of the sea floor. Compared with conventional echo sounders, which send a single beam to the sea floor, the multibeam system shows greater detail and reduces survey time and cost. It can cover a six-kilometre width at a depth of 1,000 metres, and can map the sea floor to a maximum depth of 5,500 metres.

ESR (Institute of Environmental Science and Research Ltd) provides science-related research and consulting services in public health, environmental health, and forensic sciences to the public and private sectors in New Zealand and the Asia-Pacific region. ESR employs about 400 staff at: Mt Albert Science Centre in Auckland, Kenepuru Science Centre in Porirua (head office), the National Centre for Biosecurity and Infectious Disease in Wallaceville, Upper Hutt, and Christchurch Science Centre. Each centre has advanced technologies and information systems to support teams of nationally- and internationally-recognised scientists.

Other research organisations

The **Cawthron Institute** is a private scientific research centre with 180 staff that was established in 1924. The institute undertakes research into marine and freshwater biology and ecology, with much of the work being funded by government. Operations are based in Nelson, with an aquaculture research field station near the city. Its testing laboratories are International Accreditation New Zealand registered, and accredited by the United States Food and Drug Agency for biotoxin monitoring of shellfish.

Research interests include aquaculture (particularly shellfish), shellfish selective breeding and husbandry, microalgae culturing, and biochemistry. Biosecurity is another area of interest, with invasions by foreign marine organisms representing a threat to New Zealand's biosecurity. Joint projects with other laboratories and shipping companies have examined the efficiency of ballast water exchange practices, and methods of treatment to remove unwanted organisms. Recent work has centred on hull fouling as a source of introduction and dispersal of organisms.

The institute also provides commercial services to industry, specialist scientific advice on environmental issues to resource managers and users, and analytical laboratory testing services for New Zealand clients. Services include resource surveys and impact assessments – such as the effects of discharges and land use on the aquatic environment – baseline surveys, monitoring of coastal and freshwater areas, and oil-spill contingency planning.

Cawthron Institute scientists work closely with other research organisations and have good links with overseas groups. Research on toxic algal blooms resulted in a close relationship with researchers in Japan, the United States, and Ireland.

BRANZ is the principal supplier of independent and impartial research and information services to the New Zealand building and construction sector. Its teams address a wide range of physical sciences, engineering, sustainability, economics, and product assurance. Its technology transfer channels include BUILD magazine, other publications, digital tools, and an industry advisory service.

Some **government departments** carry out R&D to support their own activities, including development and implementation of policy. Departments with a substantial research interest include the Ministry of Fisheries, Ministry of Social Development, Department of Conservation, Ministry of Agriculture and Forestry (in particular, Biosecurity New Zealand), Ministry of Education, Ministry of Health, and the Ministry of Justice. Government agencies such as the Accident Compensation Corporation, the Earthquake Commission, and the New Zealand Transport Agency are other important funders of research. In local government, regional councils contract significant amounts of environmental research as part of their role in managing the environment.

Ice cream may lick chemo side effects

A strawberry-flavoured ice cream containing two active dairy ingredients is showing promise for combating some of the unpleasant side effects of chemotherapy treatment.

The 'dessert with a difference', known as ReCharge, was developed by Fonterra and the University of Auckland. ReCharge started phase 2 clinical trials in late 2009 with patients volunteering for a daily regime that includes a 100 gram tub of ice cream.

Earlier laboratory trials found that weight loss and damage to the gut were significantly reduced by the active ingredients, and there were marked improvements to the immune system and blood markers.

The food has been welcomed by medical professionals for its tasty and palatable format as chemotherapy patients often lose their appetite.

Fonterra's chief technology officer, Dr Jeremy Hill, says that creating the ice cream was a great technical challenge. By utilising previous work on the health-promoting properties of milk, and Tip Top's expertise in ice cream manufacturing, Fonterra incorporated a specific type of interacting milk fat and dairy protein to develop a great tasting and palatable product.

Dr David Perez of Cancer Trials New Zealand, the trial's manager, notes that although ReCharge looks promising, a high proportion of phase 2 trials do not subsequently work out. The trial's outcome should be known in late 2010.

Source: Fonterra

Image removed due to copyright issues

The New Zealand Herald

A monarch butterfly gets used to a tracking tag fitted at a butterfly house near Tauranga in 2009. The tiny adhesive tags, which are the equivalent weight of keys in a human's pocket, are produced in the United States for an international study of the migration patterns of the monarch. In New Zealand, tracking has shown a monarch flew from near Turangi to Whangarei, about 500 kilometres, in three weeks.

The **higher education sector** covers universities, polytechnics, and wānanga (Māori tertiary education institutions), which offer a broad range of tertiary education services that include science in all cases, and aspects of technology in most. As well as this education and training function, these institutions carry out basic and strategic research and make substantial contributions in applied science and technology; they carry out one-quarter of the research funded by Vote Research, Science, and Technology. The majority of this work is performed by the eight universities. Several universities have formal links with CRIs.

Centres of Research Excellence (CoREs) were introduced during 2002/03 and are funded through Vote Education to encourage development of world-class research in New Zealand. CoREs cover fields as diverse as bio-protection, Māori development, nanotechnology, and molecular ecology. There are seven centres, each hosted by a university and having a number of partner organisations, including other universities, Crown research institutes, and wānanga.

Research consortia funding was introduced in 2002/03 to bring researchers and end users closer together and promote collaboration among universities, CRIs, and businesses. There are 14 research consortia, many carrying out research related to New Zealand's primary production sector.

Research associations are non-government, industry-linked institutions that provide research and technology transfer capabilities that may be beyond the reach of individual companies.

Major research associations include: Building Research, Dairy NZ, CRL Energy, the Heavy Engineering Research Association, Fert Research, the Leather and Shoe Research Association of New Zealand, and Meat and Wool New Zealand.

Other research associations are private-sector organisations that focus on specific areas of expertise. These include the Cawthron Institute (see previous page), the Malaghan Institute (medical research), the New Zealand Council for Educational Research, and the New Zealand Institute for Economic Research.

Research is also carried out by commercial market-research firms, private research consultancies and research or analysis units within private enterprises, and voluntary agencies.

Technology services

Patents, trademarks, and designs

Intellectual Property Office of New Zealand (IPONZ) is a business unit of the Ministry of Economic Development and operates under the Patents Act 1953, the Trade Marks Act 2002, the Designs Act 1953, and the Plant Variety Rights Act 1987. These acts place statutory obligations on IPONZ and the commissioner of patents, trade marks, designs, and plant varieties in relation to filing, examining, registering, granting, and renewing intellectual property rights. IPONZ also maintains registers of these rights and interests for clients to search. IPONZ is a receiving office for applications filed under the Patent Cooperation Treaty (PCT), administered by the World Intellectual Property Organization.

Patents The owner of an invention may apply to IPONZ to patent it under the New Zealand Patents Act 1953. A patent grants the owner the exclusive right to exploit the invention commercially in New Zealand for a maximum of 20 years. After the patent expires, anyone may make use of the invention.

The Patents Act 1953 has been reviewed, and a new Patents Bill drafted, to ensure that New Zealand's patent legislation reflects developments in international patent practice, and continues to promote innovation and competition within New Zealand. IPONZ holds a comprehensive collection of patent specifications from other countries.

IPONZ receives newly published patents from New Zealand and other industrialised countries. These patents, available to the public, describe the latest advances worldwide in every field of manufacture and have the potential to save New Zealand manufacturers substantial time and money in research and development. In the year ended 30 June 2009, letters patent were sealed on 3,483 applications. The total number of patents on the register was 34,126. The IPONZ patent database is online (www.iponz.govt.nz).

Trademarks The owner of a trademark may apply to register it under the New Zealand Trade Marks Act 2002. Once the trademark is registered, the owner has the exclusive right to use it in New Zealand for the goods or services covered by the registration. If anyone else copies a registered mark without permission, the owner has a legal remedy.

Trademarks may remain registered indefinitely by paying a renewal fee every 10 years. Anyone may search the online trademark database (www.iponz.govt.nz). A person planning to apply to register a trademark may request IPONZ to conduct a search of its records (for a fee) and report if a similar mark has already been registered, or request an official opinion on whether the mark is eligible for registration. There were 16,362 trademarks (31,534 classes) registered in the year ended 30 June 2009. The total number of trademarks on the register was 204,682.

Designs The owner of an industrial design (a novel shape or surface pattern on a manufactured article) may apply to register it under the New Zealand Designs Act 1953. Registration protects the design from unauthorised copying in New Zealand for a maximum of 15 years. IPONZ maintains a public register of designs, which anyone may search. There were 1,463 designs registered in the year ended 30 June 2009. The total number of designs on the register was 9,744.

Table 15.01

Applications for patents, trademarks, designs, and plant varieties

Year	Year ending 30 June			
	Patents	Trademarks ^(a)	Designs	Plant varieties
2000	6,269	22,771	967	185
2001	6,622	22,620	886	160
2002	6,718	19,173	937	165
2003	6,632	21,256	919	193
2004	6,334	16,604 (25,687) ⁽¹⁾	1,366	143
2005	6,397	16,641 (27,937) ⁽¹⁾	1,321	148
2006	7,526	17,754 (30,691) ⁽¹⁾	1,448	99
2007	8,558	20,173 (35,730) ⁽¹⁾	1,487	157
2008	8,653	19,764 (36,509) ⁽¹⁾	1,372	145
2009	7,210	16,358 (29,720) ⁽¹⁾	1,273	131

(a) The Trade Marks Act 2002, which came into force in August 2003, introduced a provision for filing multi-class applications. The trademark statistics from 2003 onward reflect these changes.

Source: Intellectual Property Office of New Zealand

Other intellectual property rights

Plant variety rights are intellectual property rights provided under the Plant Variety Rights Act 1987. This right gives the breeder of a new plant variety the exclusive right to sell, or license others to sell, reproductive material of the variety.

During the year ended 30 June 2009, 89 grants were issued. The total number of valid grants on the register was 1,259. Applications for ornamental varieties are the largest group (51 percent of all applications) followed by fruit varieties (3 percent), herbage, agricultural crops, vegetables, and varieties of fungi (44 percent collectively).

Patent, trademark, design, and plant variety applications are shown in table 15.01. Not all applications result in registration.

Copyright is granted automatically on the creation of any original literary, dramatic, musical, or artistic work, sound recording, film, broadcast, cable programme, or published edition. The Copyright Act 1994 is administered by the competition, trade, and investment branch of the Ministry of Economic Development.

Layout designs of integrated circuits are protected by the Layout Designs Act 1994. The Act protects unauthorised copying of the designs in New Zealand for up to 15 years. The Act is administered by the competition, trade and investment branch of the Ministry of Economic Development.

Spinning a golden fleece

Two high-end materials, merino wool and gold, won Professor Jim Johnston a Bayer Innovators Award in 2009. Winner of the Research and Development category, Professor Johnston has innovatively combined nanotechnology with natural wool fibres. He came up with the idea, and now leads the development of a new process to form nano-particles of pure gold and silver in the wool – to create a luxury fibre for use in top-quality clothing, textiles, and carpets.

Kerstin Burridge, one of Professor Johnston's doctoral students, was also honoured in 2009, as runner-up in the Adding Value to Nature category of the 2009 MacDiarmid Young Scientist awards. Her 'Golden Wools' research has contributed to understanding the underlying science, and the development of a spectrum of colours – from light pink to purple, grey, and yellowy-gold – each depending on the size and shape of the particles.

Testing of the fibre shows the colours are totally fast, even with repeated washing and exposure to light.

The fibre is also clean to produce since it contains only wool and gold, and because the bond between the materials is ultra-strong the fibre is long-lasting. Other advantages are a high resistance to pests such as moths, and low static electricity build-up.

However, there is a high price tag – the golden wools are around 100 times more expensive than wool coloured with organic dyes.

Despite the cost, wool organisations are interested, with manufacturers in New Zealand and Europe seeing a market for textiles and high fashion clothing coloured with real gold. Early in 2009, a small amount of the golden wool was spun into yarn and woven into scarves and carpet samples in the United Kingdom.

Professor Johnston is working with New Zealand Trade and Enterprise in London and Milan, Wool Partners International, NZ Merino, the World Gold Council, and high-end spinners, fashion houses, and carpet manufacturers in Europe to access international markets.

Professor Johnston estimates the process could be a commercial reality by late 2010.

"It's a very clever technology which does not require a huge, expensive plant ... it proves you can open new high-value opportunities through innovative science," he said.

Dr Burridge hopes her research will help increase the profitability of sheep farming and improve economic returns to New Zealand. She would like to continue her development work as a key person in the commercialisation team.

The research is primarily funded by Victoria University of Wellington, the Foundation for Research, Science and Technology, the World Gold Council, and the MacDiarmid Institute for Advanced Material and Nanotechnology.

Source: Foundation for Research, Science and Technology

Image removed due to copyright issues

The New Zealand Herald

Ryan Nicholls from Auckland was eight years old when he invented the Waste-Away to help with getting his family's food scraps out for composting. His eco-friendly way to dispose of food waste uses water in the waste to power a turbine that spins the separator and collecting drum. Ryan's patent application was accepted by the Intellectual Property Office of New Zealand.

Telarc SAI Limited

Telarc SAI Ltd is a registered company 75 percent owned by the Testing Laboratory Registration Council, with the remaining 25 percent being owned by SAI Global. Telarc SAI provides recognition and assessment services for management systems, and operates from Auckland, Hamilton, Tauranga, Wellington, and Christchurch.

Recognition services Telarc SAI Ltd provides recognition of achieving the standards below.

- Quality management systems certification to ISO 9001 standard – Telarc SAI has provided the ISO 9000 certification service since 1983, being the first organisation in New Zealand to achieve formal accreditation by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).
- Telarc Q-Base – a basic, entry-level management system based on the ISO 9001 standard. It identifies the basic quality management disciplines essential for managing the quality of small-to-medium enterprises.
- Environmental management systems certification to ISO 14001 standard – Telarc SAI has provided this service since 1994, and in 1996 was the first organisation in New Zealand to be accredited by JAS-ANZ to certify ISO 14001.
- Certification of health and disability service providers to meet the requirements of the Ministry of Health – this recognition service is provided by Quality Health New Zealand, a division of Telarc SAI.
- Customer 1st – for approving an organisation's commitment to its customers.

Assessments Telarc SAI Ltd provides assessment services for management systems, including occupational health and safety, Accident Compensation Corporation workplace safety management practices, product certification, and rail safety.

Training Telarc SAI works closely with the New Zealand Quality College to provide training courses to promote excellence in management system practices.

International Accreditation New Zealand

International Accreditation New Zealand (IANZ) is the national body for accrediting testing and calibration laboratories, radiology services, and inspection services. It is part of the Testing Laboratory Registration Council, a user-funded Crown entity established by an act of Parliament in 1972. IANZ has several functions.

- Laboratory and calibration accreditation – assessing the technical competence of testing, measurement, and calibration laboratories in all fields of science and technology, including biological, chemical, dairy, water, electrical, gas cylinder, mechanical, medical, physical, and wool testing; and metrology and calibration. All categories are accredited to NZS ISO/IEC 17025 standard, except medical testing, which is accredited to NZS/ISO 15189.

- Inspection body accreditation – providing formal recognition that an inspection body or food safety assessment body is capable of meeting standards of quality, performance, technical expertise, and competence. Accreditation is to AS/NZS ISO/IEC 17020 standard.
- Radiology service accreditation – providing radiology services with formal recognition of their skills, expertise, competence, systems, procedures, and facilities, based on independent peer group assessment. Accreditation is to the New Zealand Code of Radiological Management Practice.
- OECD good laboratory practice – IANZ is the compliance monitoring authority in New Zealand for the Organisation for Economic Co-operation and Development's principles of good laboratory practice. This programme is relevant to research laboratories undertaking non-clinical safety trials for new veterinary pharmaceuticals and agricultural chemicals.
- CE marking – IANZ is the designating authority for conformity assessment bodies approved to undertake testing or inspection against European directives for CE product standard marking purposes. This appointment is under the New Zealand/European Union Governmental Mutual Recognition Agreement.
- Meat industry laboratory approval – IANZ accredits meat industry testing laboratories under the New Zealand Food Safety Authority Laboratory Approval Scheme.
- Building consent authorities – are assessed by IANZ against the requirements of the Building (Accreditation of Building Consent Authorities) Regulations 2006, on behalf of the Department of Building and Housing.

International arrangements IANZ represents New Zealand at international conformity assessment forums and maintains mutual recognition arrangements with other national laboratory and inspection body accreditation authorities. The economies involved include: Argentina, Australia, Austria, Belgium, Brazil, Canada, People's Republic of China, Cuba, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong China, India, Indonesia, Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Lithuania, Malaysia, Mexico, the Netherlands, Norway, Philippines, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Chinese Taipei, Thailand, Turkey, United Kingdom, United States, and Viet Nam.

Training The New Zealand Quality College is the training division of IANZ and provides training in association with IANZ and Telarc SAI. Topics cover laboratory management, inspection body management, quality and environmental management, health and safety management, food safety management, and auditing skills.

Experienced staff from IANZ and Telarc SAI, and others who are national experts in their fields, present these courses. The college is registered as a private training establishment with the New Zealand Qualifications Authority.

Standards New Zealand

Standards New Zealand is the operating arm of the Standards Council, an autonomous Crown entity. Its mission is to boost New Zealand's economy and advance the well-being of New Zealanders through standards by:

- functioning as the national standards body, and being an integral part of New Zealand's standards and conformance infrastructure
- coordinating the development, review, and revision of New Zealand Standards, joint Australian/New Zealand Standards, codes of practice, and handbooks
- coordinating New Zealand's involvement in the development of international standards and New Zealand's representative for ISO and IEC
- linking with national standards bodies in key export markets, such as Standards Australia
- partnering with core agencies such as the Ministry of Economic Development, the Treasury, and the State Services Commission, to promote a coherent, national approach to standardisation
- promoting 'quality regulation' and economic productivity through using standards
- providing facilitation and consensus building services to industry, government, and community stakeholders
- providing an information and sales service covering all national and international standards.

There are approximately 50 full-time staff, who are supported by more than 2,000 New Zealanders who voluntarily serve on boards and committees.

Standards New Zealand's operation is entirely 'user funded' – that is, through the sale of products and services, and through development contracts for standards and other products.

Measurement Standards Laboratory

The Measurement Standards Laboratory (MSL) is responsible under the Measurement Standards Act 1992 for meeting the Minister of Research, Science and Technology's requirement to provide uniform units of standards of measurement throughout New Zealand. MSL is funded by the Ministry of Research, Science and Technology and is managed as part of Industrial Research Ltd, a Crown research institute.

Standard supports web archiving

A new international standard will ensure that valuable information posted on the Internet is not lost when a page changes or disappears. Alison Elliott, Director of Content Services at the National Library of New Zealand, is chair of the subcommittee that developed this standard and New Zealand holds the secretariat for the subcommittee.

The standard, ISO 28500, provides a file format known as WARC (Web ARChive), which offers a convention for linking multiple data objects into one long file. The format can be used to build applications for harvesting, managing, accessing, and exchanging content.

Keeping track of the staggering number of websites and pages poses a difficult challenge for digital curators and archivists. Web ARChive (WARC) ISO 28500 enables the effective management, structure, and storage of billions of resources collected from the Internet and elsewhere.

The new standard will help web archiving become part of the mainstream activities of heritage institutions by, for example, fostering the development of new tools and ensuring collections can work together.

Source: Standards New Zealand

Image removed due to copyright issues

Waikato Times

In November 2009, scientist and engineer Peter Beck watched his six-metre rocket take to the air. Rocket Lab's 60-kilogram Atea-1 launched from Great Mercury Island, then burned for 20 seconds, reaching its target speed of up to 5,000km/h and altitude of more than 100km. After 10 to 20 minutes in the sky it splashed into the ocean.

MSL has 32 full-time staff who maintain measurement standards for all the base physical measurement units: electrical, length, mass, photometry and radiometry, temperature, and time, as well as some derived units such as pressure and density. The laboratory also provides advice on chemical measurement.

New Zealand's base units of measurement are the International System units, which are maintained by the International Bureau of Weights and Measures. MSL is active on the technical committees responsible for defining these units. MSL also takes part in international measurement comparisons to ensure the ongoing accuracy of its measurement standards.

MSL is a signatory to a mutual recognition agreement to establish the degree of equivalence of national measurement standards among signatory nations. This arrangement provides a technical foundation for international trade, commerce, and regulatory affairs. MSL has 174 calibration and measurement capabilities recognised by this agreement.

Within New Zealand, MSL provides calibration services to industry, and advice and training to improve the quality of local measurements.

Contributors and related websites

AgResearch Ltd – www.agresearch.co.nz

BRANZ Ltd – www.branz.co.nz

Cawthron Institute – www.cawthron.org.nz

Crown Ownership Monitoring Unit – www.comu.govt.nz

Foundation for Research, Science and Technology – www.frst.govt.nz

GNS Science – www.gns.cri.nz

Health Research Council of New Zealand – www.hrc.govt.nz

Industrial Research Ltd – www.irl.cri.nz

Institute of Environmental Science and Research Ltd – www.esr.cri.nz

Intellectual Property Office of New Zealand – www.iponz.govt.nz

International Accreditation New Zealand – www.ianz.govt.nz

Landcare Research New Zealand Ltd – www.landcareresearch.co.nz

Measurement Standards Laboratory – www.msl.irl.cri.nz

Ministry of Economic Development – www.med.govt.nz

Ministry of Research, Science and Technology – www.morst.govt.nz

National Institute of Water and Atmospheric Research Ltd – www.niwa.co.nz

New Zealand Venture Investment Fund Ltd – www.nzvif.com

Plant & Food Research – www.plantandfood.co.nz

Plant Variety Rights Office – www.iponz.govt.nz/cms/pvr

Royal Society of New Zealand – www.royalsociety.org.nz

Science New Zealand – www.sciencenewzealand.org

Scion – www.scionresearch.com

Standards New Zealand – www.standards.co.nz

Statistics New Zealand – www.stats.govt.nz

Telarc SAI Ltd – www.telarcsai.co.nz

Image removed due to copyright issues

Otago Daily Times

Artist, photographer, and now filmmaker Grahame Sydney on the Rock and Pillar range in Otago, filming a scene for his 2009 documentary Dreaming of El Dorado: the Old Dunstan Road.

16 | Land and environment

Land, fresh water, and sea resources are core to New Zealand's valuable primary industries and are a large part of the life and culture of New Zealanders. But New Zealand, like every other country, has environmental issues to address. Decades of human activity – production, consumption, and growth – have impacted dramatically on the environment. This has increased the need to measure the effect of human activities and to protect the environment in order to secure a sustainable future.

New Zealand's low population and limited industrial base means that its environmental issues are generally less severe than those of many other industrialised countries. Using water more sustainably, managing marine resources, reducing waste, and improving energy efficiency are all essential for a secure economy and quality of life, as well as for environmental sustainability.

New Zealand's big export earners – agriculture, horticulture, forestry, and tourism – rely on a temperate climate. It is projected that the world's average temperature could rise by 0.2 degrees Celsius over each of the next two decades, and by between 1.1 and 6.4 degrees Celsius this century.

New Zealand is not immune to the effects of global climate change and its climate patterns are changing. It is likely that the country can expect more frequent droughts and floods (drier in the east, and wetter in the west and north), rising sea and snow levels, and changing rainfall patterns.

Biodiversity

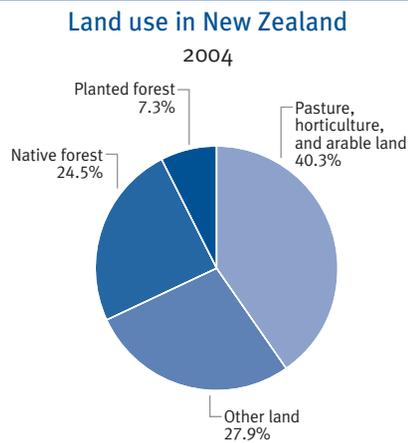
New Zealand's unique biodiversity – the variety of all biological life, which includes plants, animals, micro-organisms, and fungi, the genes they contain, and the ecosystems on land or in water where they live – results from approximately 80 million years of geographic isolation. There are an estimated 80,000 native animal, plant, and fungi species in New Zealand.

Biologically diverse ecosystems provide important resources such as clean air and water, help to decompose wastes and recycle nutrients, maintain healthy soils, aid pollination, regulate local climates, and reduce flooding. Protection from pests, weeds, and diseases is important for New Zealand's natural resources and for the introduced species on which our primary industry depends.

In the past 700–800 years, two-thirds of New Zealand's land has been extensively modified. Humans and their accompanying animals and pests have caused the extinction of 31 percent of indigenous land and freshwater bird species, 18 percent of endemic seabird species, three of seven species of frogs, and at least 12 invertebrate species (such as snails and insects). In 2005, New Zealand listed 2,788 native land-based and freshwater species as threatened.

Introduced animals and plants, in particular mammals such as stoats, possums, and mice, pose the greatest threats to remaining native species and habitats.

Figure 16.01



Source: Ministry for the Environment

2010 International Year of Biodiversity

The United Nations declared 2010 to be the International Year of Biodiversity. Its stated purpose was to celebrate life on earth and the value of biodiversity, at a time when the rate of loss of biodiversity is estimated to be up to 1,000 times higher than the natural rate of extinction.

New Zealand is estimated to have more than 80,000 native animals, plants, and fungi, of which only 30,000 have been classified. But this rich and diverse biodiversity is one of the world's most threatened.

Gone are 14 species of moa, the world's largest ever eagle, the laughing owl, the New Zealand thrush, several species of wrens, three frog species, one bat species, at least 12 invertebrates such as snails and insects, the world's largest ever gecko, and the huia – driven to extinction by demand for its feathers as fashionable accessories. The most recent extinction was the South Island kōkako, last seen in the 1980s.

However biodiversity loss is not solely an environmental issue, it is also an economic one. New Zealand's economy is largely based on the use of natural resources and benefits from the services provided by healthy, functioning ecosystems.

While ecosystem services come for free in the form of rainfall, wind, landscapes, waterways, coastlines, oceans, animals, plants, and fungi, this does not mean they have no value. In 1997, Massey University economists calculated that native biodiversity contributed well over twice the value of New Zealand's gross domestic product. In today's terms that is more than \$300 billion. Marine ecosystems contributed two-thirds of that total.

The natural environment also inspires the country's national icons – the kiwi, silver fern, and koru – and has a large impact on New Zealanders' identity.

With more than 1,000 threatened animal, plant, and fungi species in New Zealand today, protection and conservation is a complex task. Predator control, education, community restoration projects, conservation volunteers, and partnerships with business are some of the methods the Department of Conservation is using to battle biodiversity loss.

Source: Department of Conservation

Image removed due to copyright issues

The Dominion Post

British entertainer Stephen Fry holds a rare hihi (stitch bird) at Wellington's wildlife sanctuary Zealandia. Mr Fry was in New Zealand making a documentary for the BBC.

About 32 percent of New Zealand's land area is legally protected for conservation purposes, either as public conservation land or through conservation initiatives on private land. Most of this land is in upland areas and mountains. Lowlands, river margins, wetlands, dune lands, and coastal areas remain under-represented in the protected areas network, with wetlands reducing by 90 percent from their original area.

In 2006, a national statement of priorities for biodiversity was established to help local authorities make decisions when trying to regenerate or protect biodiversity on private land. The Government has several contestable funds that are available for community initiatives on biodiversity.

Air quality

Compared with other countries, New Zealand has relatively good air quality because of its small population, its limited heavy industry, its distance from other countries, and regular winds in most places.

Nevertheless, air pollution gets high enough to cause health problems in many urban areas. About 1,100 New Zealanders die prematurely each year from exposure to air pollution. The main contributions to air pollution are from home heating (coal and wood fires) and transport. In the winter, home heating is a main cause of air pollution in populated areas. Wood and coal used in home heating are major sources of air pollution in the form of fine particles. In New Zealand, 45 percent of households burn wood or coal for home heating.

In Auckland, motor vehicle emissions are a significant source of air pollution, emitting pollutants such as carbon monoxide, oxides of nitrogen, volatile organic compounds, and fine particles. Increased vehicle numbers, larger average engine sizes, and traffic congestion all put increasing pressure on air quality. However, improvements in technology in recent years have led to decreases in carbon monoxide and sulphur dioxide levels at some monitoring sites in Auckland and Christchurch.

In September 2005, national environmental standards were set for five commonly recognised air pollutants: particulate matter less than 10 microns in diameter (PM₁₀), nitrogen dioxide, carbon monoxide, sulphur dioxide, and ground-level ozone. Regional councils are required to measure air quality and publicly report whenever pollution levels exceed standard limits. These standards are undergoing review in 2010.

In the interim, central and local government are working together to help New Zealanders stay warm while reducing the pollution caused by burning wood or coal for home heating. The number of households with open fires has decreased in recent years, while the number of homes with heat pumps has increased.

Climate change

Atmospheric gases such as carbon dioxide, methane, and nitrous oxide keep the temperature near the earth's surface within a stable range – around 30 degrees Celsius higher than it would be without them – providing climate conditions suitable for humans.

Many forms of human activity increase the concentration of these greenhouse gases, and temperatures rise as more heat from solar energy is trapped in the earth's atmosphere than before – this is the 'greenhouse effect'. Increasing concentrations of these greenhouse gases is known to

play a major role in climate change. The result is more extreme weather events – floods, storms, cyclones, droughts, and slips – as well as rising sea levels and coastal erosion.

In 2007, total emissions of greenhouse gases in New Zealand were 75.6 million tonnes of carbon dioxide equivalents. Between 1990 and 2007, total greenhouse gas emissions increased by 22 percent, reflecting the growing population and economy. While New Zealand's greenhouse gas emissions represent much less than 1 percent of global emissions, New Zealand has the 11th highest rate of emissions per head of population.

New Zealand has an unusual profile of greenhouse gas emissions for a developed nation, with the agricultural sector contributing nearly 50 percent of total emissions. Carbon dioxide emissions, largely from transport, electricity generation, and manufacturing industries, contribute most of the other 50 percent.

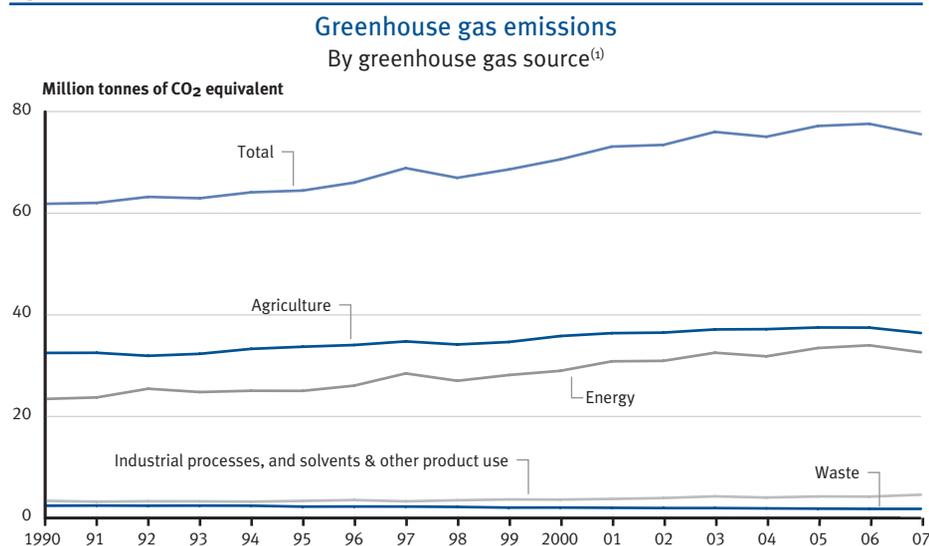
Between 1990 and 2007, carbon dioxide removed from the atmosphere by forest growth (forest sinks) increased by 31 percent, largely because of increases in plantation forestry in the mid-1990s.

In New Zealand, climate change is likely to cause sea levels to rise, increase the number of floods and droughts, change wind and rainfall patterns, increase temperatures, reduce frosts, put pressure on ecosystems, and increase the threat of pest species becoming established.

To ensure New Zealand meets its Kyoto Protocol commitments, the Government is implementing a carbon emissions trading scheme (the New Zealand Emissions Trading Scheme – NZ ETS). The New Zealand Energy Efficiency and Conservation Strategy also specifically addresses energy use by promoting renewable energy and energy efficiency initiatives.

The Government also has a climate change adaptation work programme that seeks to help New Zealanders prepare for the physical impacts of climate change and enhance our capacity to adapt to these changes. This work includes developing information and technical guidance to assist local government and other key decision makers to take into account climate change effects when carrying out their day-to-day operations.

Fig 16.02



(a) Excludes land use, land-use change, and forestry.

Source: Ministry for the Environment

Ozone layer

The ozone layer, between 15 and 30 kilometres above the earth's surface, shields the earth from the sun's ultraviolet radiation. In the 1980s, a hole in the ozone layer over Antarctica was identified. A reducing ozone layer has serious implications for New Zealand, as ultraviolet radiation can cause skin cancer, affect the marine environment, and distort plant growth.

Depletion of the ozone layer has been caused primarily by emissions of gases containing chlorine and bromine (chlorofluorocarbons or CFCs). These chemicals were used widely in the past as refrigerants, and in some industrial processes. The identification of the ozone hole over Antarctica led to international agreements to control the use of ozone-depleting substances. Atmospheric ozone levels over Antarctica are now reducing more slowly than they were during the 1980s and 1990s. There was a decline in ozone levels measured over Central Otago in the mid-1980s, and since then levels have remained relatively stable.

Many ozone-depleting gases are also greenhouse gases. Reducing the use of ozone-depleting gases can both protect the ozone layer and reduce climate change.

Chatham Island tui

Image removed due to copyright issues

Don Merton

The Chatham Island tui was recently reintroduced to Chatham Island.

After an absence of nearly 30 years, the Chatham Island tui *Prosthemadera novaeseelandiae chathamensis* has recently been restored to Chatham Island. A subspecies of the mainland New Zealand tui, the Chatham Island tui is larger and has longer throat tufts. Its song is also significantly different.

The Chatham Islands are 850km east of Christchurch. The largest of the islands is Chatham, with Pitt, Rangitira, and Mangarere islands also forming part of the group.

In recent times the Chatham Island tui has been largely confined to Rangitira and Pitt islands. While the size of the Pitt Island population is unknown, an estimated 250 birds live on Rangitira Island and it appears that this is where most of the breeding takes place. Chatham Island tui breed between November and January. They lay between two and four eggs and usually one to three fledglings are reared from these.

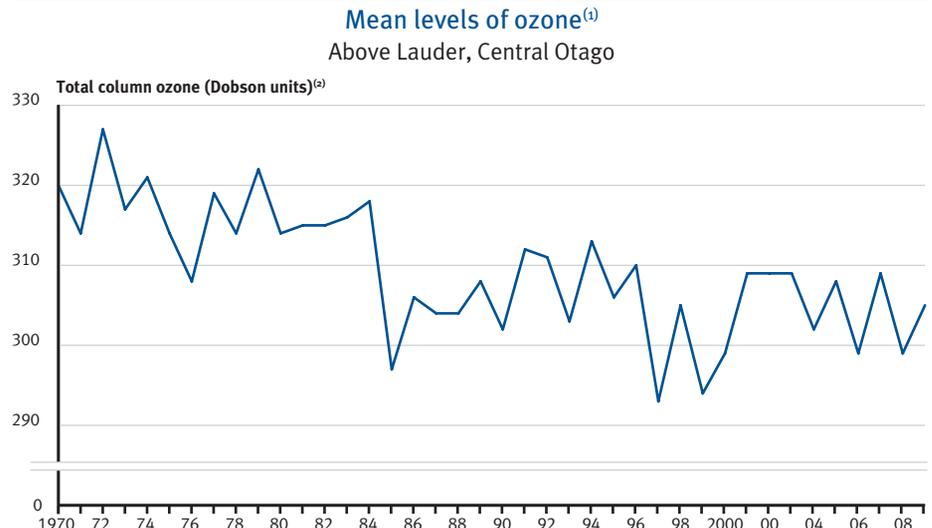
Tui feed on nectar, fruit, and insects and are important for the pollination and seed dispersal of native forest plants. Following the extinction of the Chatham Island bellbird in the early 1900s, the tui is the only remaining honey-eater on the Chatham Islands.

Loss of habitat and destruction by feral cats, rodents, and possums are likely to have been the main causes of the decline of tui on Chatham Island. While there are significant areas of forest habitat remaining on the southern part of the island, the combined pressure of predators and browsers had been too much for tui to survive. The birds were previously seen on Chatham Island in the early 1980s.

Work to protect the forest and reduce predator numbers on Chatham Island have meant that it is safe once again for the birds and in March 2009, 14 juvenile Chatham Island tui were transferred there from Rangitira Island. Not only did all of them survive, but in the spring of 2009 they started breeding.

Source: Department of Conservation

Fig 16.03



(1) Shows average mean total of total column ozone at Lauder, in Central Otago, (45.0S, 169.7E). (2) Figures are based in Dobson spectrophotometer measurements and are supplemented with satellite measurements standardised to the Dobson measurements. Annual mean ozone levels are given in Dobson Units (DU), where one DU is 0.01mm of ozone layer thickness at 0 degrees Celsius at sea level.

Source: NIWA

Water quality

By international standards, fresh water in New Zealand is both clean and plentiful. Most areas have between 600 and 1,500 millimetres of rainfall a year. However, availability varies significantly, with higher annual rainfall levels on the western side and generally decreasing levels towards the east coast of both the North and South Islands.

The demand for water is increasingly putting pressure on both the availability and quality of the resource. In areas that are dominated by intensive land use, some aspects of water quality are declining. Urban development, clearance of land, and intensification of agriculture have increased sedimentation, nutrients, and harmful micro-organisms in rivers and streams. As a result, water quality in many lowland streams and rivers has been affected.

Coastal recreational water quality Over the 2007/08 and 2008/09 summers, 79 percent of the 400 monitored beaches had safe levels of bacteria almost all the time. Two percent of sites breached the guidelines regularly, indicating these sites often have poor water quality and are unsuitable for swimming. Common sources of coastal water contamination include sewage and stormwater outfalls, septic tanks, sanitation discharges from boats, and effluent run-off from agricultural areas. Generally, concentrations of contaminants are lower at sites on the open coastline than at inland freshwater recreational sites, with coastal beaches more frequently flushed by tides and currents.

Image removed due to copyright issues

The New Zealand Herald

Pourotu Ngaropu speaks in the meeting house at Umutahi Marae, at Matata in the Bay of Plenty. Three iwi, Ngāti Awa, Ngāti Rangitīhi, and Ngāti Tūwharetoa, signed a memorandum of understanding in March 2010 with the companies that operate the Tasman Pulp and Paper mills near Kawerau, making a commitment to clean up the Tarawera River together. The mills had been discharging waste water into the river for decades.

Freshwater quality Fresh water is one of New Zealand's most valuable natural assets and is a vital part of the economy. It is used to irrigate crops and pastures, dispose or dilute trade wastes and sewage, and produce hydroelectric energy.

New Zealand has 425,000 kilometres of rivers and streams. When compared internationally, New Zealand's rivers have very high quality water with low concentrations of dissolved material and nutrients. Rivers in catchments that have little or no farming or urban development make up about half of all New Zealand's rivers and have good water quality.

Water quality is generally poorest in rivers and streams in urban and farmed catchments. Until the 1970s, the major cause of deterioration in water quality in New Zealand was the discharge of poorly treated sewage, stock effluent, and other organic wastes directly into water bodies from sources such as wastewater treatment stations, meat works, and dairy factories. However, this type of river pollution has reduced over the past 30 years, as a result of improved management.

Today, the most significant pollutants of fresh water come from diffuse sources. In recent years, the impact of agricultural land use on water quality has grown as a result of increased stocking rates and use of nitrogen fertilisers. The levels of both nitrogen and phosphorus in many rivers have increased over the past two decades. Excessive levels of these nutrients in waterways can cause algal blooms and degrade water quality.

Nitrogen is found in ground water in the form of nitrate and is monitored for health and environmental reasons. More than one-third (39 percent) of groundwater monitoring sites in New Zealand have higher levels of nitrate than occur naturally, probably as the result of human activities, such as the leaching of fertiliser and stock effluent.

Marine environment

New Zealand's marine area is about 14 times bigger than its land area. At more than 4.4 million hectares, New Zealand's marine environment supports a diverse range of ecosystems, plants, animals, and food resources, and is immensely valuable. New Zealand's marine environment is home to a large number of species found nowhere else in the world.

The marine area is used for a range of purposes, including transportation, fisheries, recreation, and tourism. Fishing activities are widespread throughout New Zealand and take place in virtually every habitat type except the deepest sea floor. A quota management system is used in New Zealand to help ensure fishing activity is sustainable. The system sets catch limits for each species, based on abundance and other characteristics.

Regional councils manage marine farming in coastal areas under the Aquaculture Reform Act 2004, and contaminants discharge under the Resource Management Act 1991.

Most of New Zealand's population lives close to the coast. Construction, land reclamation, drainage, urban infrastructure, and shoreline developments affect the coastal environment, through the alteration of physical characteristics of shorelines and the discharge of pollutants into the sea. The impact on the marine environment has been less than in other developed countries because of New Zealand's small population and abundant marine resources offshore, where much of the environment is not easily accessible.

Marine reserves play an important role in protecting New Zealand's marine biodiversity. Currently, 33 marine reserves cover more than 7 percent of New Zealand's marine territory. Over half have been established since 2000, and the area has almost doubled in that period. However, 97 percent of the area protected is in two offshore marine reserves, and some key habitats remain unprotected.

Energy

New Zealand has access to a wide range of energy sources, both renewable (hydro, geothermal, wood, wind, biogas, and solar) and non-renewable (oil, gas, and coal). Energy is an essential part of life, but its production, distribution, and use can have an adverse impact on the environment.

See chapter 20 for more about energy.

Minerals

New Zealand is a mineral-rich country, with a large variety of mineral deposits. Like elsewhere in the world, New Zealand's mineral resources tend to be highly concentrated in certain areas.

See chapter 20 for more about minerals in New Zealand.

Soil quality

Soil plays an integral part in supporting primary production in New Zealand. Much of New Zealand's economy is based on farming activities, with the agricultural and forestry sectors making a significant contribution to export earnings.

New Zealand soils are naturally acidic, with low levels of nitrogen, phosphorus, and sulphur. Soils used to grow crops and pasture need to be developed and maintained with nitrogen-fixing plants (such as clover), fertilisers, and often lime, to sustain high-yield plant growth. As a result, farmed soils today have different biological, chemical, and physical properties than soils farmed by early settlers.

Measuring sustainable development

In July 2009, Statistics New Zealand published the report *Measuring New Zealand's Progress Using a Sustainable Development Approach*.

The report presented an overarching view of New Zealand's economic, social, and environmental progress in the past 20 years. It presented 85 indicators across 15 topics, allowing readers to make their own judgement about whether progress in New Zealand is consistent with sustainable development.

The indicators were grouped according to four broad concepts:

- meeting needs – how well do we live?
- fairness – how well are resources distributed?
- efficiency – how efficiently are we using our resources?
- preserving resources – what are we leaving behind for our children?

Some key results from the report are:

How well do we live?

Over the periods analysed, people living in New Zealand have generally enjoyed good lifestyles with increasing health expectancy at birth and a steady increase in their material well-being. However, unemployment, which is important from an economic and social perspective, has fluctuated. The impact of serious crime has decreased.

How well are resources distributed?

The disparities of access to early childhood education among different ethnic groups have narrowed over the periods analysed. The differences in income between those on high incomes and those on low incomes have widened, while the number of households recognised as having low incomes has risen.

How efficiently are we using our resources?

The use of energy relative to economic activity decreased over the periods analysed. Although total emissions of greenhouse gases increased, the economy grew at a faster rate, meaning fewer emissions were produced per unit of GDP. The labour force was more productive, meaning more output per worker (and implying an increase in the efficiency and competitiveness of the economy).

What are we leaving behind for our children?

Water quality, a stable climate, and biodiversity are critical to New Zealand's natural capital. Over the periods analysed, nitrogen levels in rivers and streams and net greenhouse gas emissions have increased, while the distribution of selected native species has decreased.

The net stock of total assets per person, a measure of New Zealand's wealth through productive assets, has increased. Educational attainment of the adult population, a measure of human capital in the population, has also increased. However, the proportion of Māori speakers of te reo Māori, an aspect of culture which is unique to New Zealand, has decreased slightly.

Source: Statistics New Zealand

Image removed due to copyright issues

Otago Daily Times

Central Otago farmers were rid of 23,064 rabbits, along with nearly 1,314 other pests (such as stoats, ferrets, possums, and feral cats), following the 19th Great Easter Bunny Hunt held throughout the district over 24 hours in April 2010. Organised by the Alexandra Lions Club, the annual hunt has been responsible for culling about 224,000 rabbits from Central Otago since its inception in 1991.

Monitoring New Zealand's soils by major land-use types (for example, livestock farming, cropping, forestry) and soil orders (soil groups) helps primary producers and resource managers to understand how different soils respond to different land uses. Maintaining healthy soils is fundamental to maintaining sustained productive land use.

Soil health and erosion risk Soils underpin food, fibre, and timber production in New Zealand. Soils also protect the environment by:

- acting as buffers and filters to reduce nutrient loss
- limiting the need for irrigation
- breaking down pollutants
- regulating gas emissions
- being a fundamental part of the water cycle.

National environment indicators developed by the Ministry for the Environment Manatū mō te Taio include two indicators for soils: soil health and erosion risk (soil intactness). Soil health (or soil quality) is the biological, chemical, and physical condition of different soil types under specific land uses. Soil intactness is the ability of soils to stay in place in erosion-prone hill country.

Regional council monitoring of seven soil measures between 1995 and 2009 provided information about the organic reserves, fertility, acidity, and physical status of soils under indigenous land cover and under five productive land uses. Collectively, these measures can tell us about the health of our soils.

Land and resource managers are primarily concerned with soil erosion caused by human activity (induced erosion), rather than natural erosion processes. Induced erosion occurs where there is pasture land cover on severely erodible soils. Human-induced hill-country erosion has been estimated to cost New Zealand between \$100 million and \$150 million each year through: loss of soil and nutrients; loss of production; damage to houses, fences, roads, phone and power lines; and damage to waterways and aquatic habitats.

With 30 percent of New Zealand's land being hilly (slope of 25 degrees or more), soil intactness on erosion-prone hill country is important. The removal of native forest for pastoral land use between the 1880s and 1920s increased erosion rates. Monitoring changes in land cover can be used to assess changes in pasture on erosion-prone hill country.

Overall, about 10 percent of New Zealand is classed as severely erodible. In 2002, just over 1.14 million hectares, or 4.25 percent of New Zealand's severely erodible land had pasture land cover. Between 1997 and 2002, pasture on severely erodible land was reduced by 36,400 hectares, due to conversion from pasture land cover to more stabilising vegetation.

Environmental and resource management

Land cover

New Zealand's 26.9 million hectares are predominantly mountainous and hilly. More than two-thirds (18.5 million hectares) of the land slopes at greater than 12 degrees and nearly half at greater than 28 degrees. Nearly three-fifths of the country (16 million hectares) is more than 300 metres above sea level, with one-fifth above 900 metres.

Extensive changes have occurred in New Zealand's land cover since human occupation. The cover of indigenous forest has declined to 29 percent of its former extent, and scrub and tussock have nearly doubled in area. The greatest losses of land cover have occurred in warm, dry environments, particularly those with soils and landforms suited to intensive agriculture.

Table 16.01 shows the major types of land use and land cover in New Zealand.

Environmental planning framework

The Resource Management Act 1991 (RMA) provides a key means for New Zealanders to plan and decide how to use, distribute, or protect natural and physical resources. Resources include rivers, lakes, coastal and geothermal areas, land (including soils), forests and farmlands, the air, and the built environment, such as buildings, bridges, and other structures in cities and towns.

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Table 16.01

Dominant land use and selected land cover	
2004	
Land use/cover	Hectares
Land use	
Dairy farming	1,879,600
Intensive sheep and beef farming	3,841,100
Hill-country sheep and beef farming	4,023,200
High-country sheep and beef farming	48,900
Deer farming	249,700
Other animal farming	64,900
Ungrazed	659,800
Urban	203,600
Planted forest	1,957,000
Arable crops	1,200
Vegetables	2,200
Berry fruit	1,200
Pip fruit	10,200
Grapes	18,800
Summer fruit	1,800
Tropical fruit	1,600
Kiwifruit	6,400
Flowers	57
Other land cover	
Tussock	2,645,200
Native forest	6,567,200
Rivers, lakes, snow, and ice	2,094,200
Scrub	2,543,600
Total	26,821,500

Note: Figures may not add up to stated totals due to rounding.

Source: Ministry for the Environment

Otago Daily Times

Department of Conservation aviculturist Bryan Welch (right) and his partner Abby Smith with some juvenile black stilts (*kaki*) at the captive breeding centre near Twizel. The birds have been raised on a diet of white worms after their natural food supply was affected by the *didymo* alga. When intensive management of black stilts began in 1981, numbers had declined to just 23 birds. The total wild population is now around 173.

Environment vulnerable to new pests and diseases

New Zealand has abundant food, a healthy environment (including fresh, clean water), and a strong productive sector. But New Zealand is vulnerable to introduced pests and diseases that could seriously damage the country's precious natural resources and threaten the economy.

MAF Biosecurity New Zealand (MAFBNZ) leads efforts to prevent unwanted pests and diseases from arriving in the country and to control, manage, or eradicate these pests if they do get in.

Pests that MAFBNZ is currently responding to are:

- Mediterranean fanworm *Sabella spallanzanii* – this has been found in Lyttelton Port and Auckland's Waitemata Harbour. This tubeworm can overrun native species, could become a fouling nuisance for marine farming, and is easily spread to new locations as a growth on dirty boat hulls. It appears as a sandy textured leathery tube – up to 40 centimetres but generally around 20 centimetres, topped by a single spiral fan which is white and banded with orange-brown. People are asked to regularly clean their boat hulls and keep their antifouling coating in good condition to help control the spread of this pest.
- Didymo *Didymosphenia geminata* – this invasive freshwater alga was first found in the Lower Waiau and Mararoa Rivers in Southland in October 2004. It has since been found in other rivers in the South Island, and a controlled area notice has been put in place. Didymo has been declared an unwanted organism under the Biosecurity Act 1993. Under the Act, those knowingly spreading an unwanted organism can be liable for up to five years imprisonment and/or a \$100,000 fine. People are asked to 'check, clean and dry' boats and equipment if they are moving between waterways.
- *Phytophthora taxon Agathis* (PTA) – commonly known as kauri dieback, this disease is a microscopic fungus-like plant pathogen that only affects kauri trees. Recent research has identified PTA as a distinct and previously undescribed species of *phytophthora*, believed to be spread by soil and soil water movement, plant-to-plant transmission through underground root-to-root contact, and humans and animals. PTA can kill trees and seedlings of all ages. Long-term management of PTA is underway. The programme includes MAFBNZ, the Department of Conservation, Auckland Regional Council, Northland Regional Council, Environment Waikato, and Environment Bay of Plenty.

Other pests are being dealt with by national interest pest responses, which aim to eradicate selected established pests from New Zealand. These pests were selected for national response because of their potential to have a significant impact on New Zealand's economic, environmental, social, and cultural values. There are currently 11 responses underway: Kariba weed or salvinia, water hyacinth, Johnson grass, Cape tulip, Pyp grass, phragmites, hydrilla, hornwort, white bryony, rainbow lorikeet, and Manchurian wild rice.

Source: MAFBNZ

The purpose of the RMA is to promote the sustainable management of natural and physical resources. This means managing resources in a way that enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety. The focus of the legislation is on the effects of proposed activities on the environment.

Local authorities prepare plans to help them manage resources. While plans are being formed, members of the community have the opportunity to say what they want to happen, during public consultation, or through making submissions and attending public hearings.

National importance and other matters In managing the use, development, and protection of natural resources under the RMA, central and local government authorities must recognise and provide for the following matters of national importance:

- the natural character of the coastal environment, wetlands, lakes and rivers, and their margins
- outstanding natural features and landscapes
- areas of significant indigenous vegetation, and significant habitats of indigenous fauna
- public access to the coastal marine area, lakes, and rivers
- the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu (sacred places), and other taonga
- historic heritage
- recognised customary activities.

The RMA also requires decision makers to consider:

- kaitiakitanga (the ethic of stewardship)
- efficient use and development of natural and physical resources
- the efficiency of the end use of energy
- the maintenance and enhancement of amenity values
- intrinsic values of ecosystems
- maintenance and enhancement of the quality of the environment
- any finite characteristics of natural and physical resources
- protection of trout and salmon habitats
- the effects of climate change
- the benefits derived from the use and development of renewable energy.

Matters of national significance An Environmental Protection Authority has recently been established under the RMA to receive and process proposals of national significance, such as major infrastructure or public works projects. The authority centralises and streamlines the decision-making process of nationally significant proposals and is housed within the Ministry for the Environment.

National policy statements and national environmental standards National policy statements and national environmental standards are prepared under the RMA to set a consistent framework for decision making on nationally relevant matters. A policy statement states objectives and policies for matters of national significance that are relevant to achieving sustainable management of natural and physical resources. Local authority policy statements and plans must be consistent with national policy statements.

National environmental standards set standards, methods, or requirements for matters such as contaminants, water quality, air quality, soil quality, and noise. These standards override rules in plans where the standards are more restrictive, to ensure nationally consistent decision making.

Regional policies and plans Regional councils have an important role in managing natural and physical resources. Each council must prepare a policy statement that provides an overview of the resource management issues in their region, and the policies and methods that will be used to achieve the integrated management of natural and physical resources. Regional and district plans must be consistent with the relevant regional policy statement and put it into effect.

Regional councils are responsible for managing water, soil, and geothermal resources; pollution control; and strategic integration of infrastructure with land use. Regional, city, and district councils are jointly responsible for natural hazard mitigation; hazardous substances; contaminated land; and maintaining indigenous biodiversity. Regional councils and the Minister of Conservation are responsible for the coastal marine area. A regional council may produce one or more regional plans to help them manage these matters. Such plans contain rules that determine whether a resource consent is required. Regional councils must produce one or more regional coastal plans to help them manage the coastal marine area of their region.

District planning District and city councils are responsible for land use management, including subdivision. District and city councils also manage noise and activities on the surface of water. Each district and city council must prepare a district plan, which includes rules that allow, manage, or prohibit specified activities.

Resource consents

A resource consent gives permission to use or develop a natural or physical resource and/or carry out an activity that affects the environment in some way. Rules in regional or district plans determine when a resource consent is required.

Five types of resource consent are described in the RMA: land use (granted by district, city, and sometimes regional councils); subdivision (district councils); water permit (regional councils); discharge permit (regional councils); and coastal permit (regional councils).

Applicants for consents need to assess the potential effects of the proposal on the environment and submit this assessment to the authority responsible for the consent application. The applicant must also explain what consultation, if any, has taken place with anyone who may be affected by the proposal. Some resource consent applications require the public to be notified, giving them a chance to consider the application and make submissions.

Decisions to grant or decline an application are usually made by local authorities. If an applicant or submitter disagrees with the decision, they can appeal to the Environment Court.

Around 50,000 resource consent applications are made to local authorities each year. Of these applications, around 6 percent are normally notified, less than 1 percent declined, and around 1 percent appealed to the Environment Court.

Public involvement The RMA allows members of the public to take part in managing the resources of their area. They can make submissions on proposed national policy statements, national environmental standards, regional policy statements, and regional and district plans, and on changes to these. Members of the public can also make submissions on publicly notified applications for resource consents.

The Environmental Legal Assistance fund was established in 2001 to provide not-for-profit groups, such as community, environmental, and iwi and hapū (tribe and subtribe) with financial assistance to advocate for an environmental issue of public interest in resource management cases at the Environment Court, higher courts, and at boards of inquiry.

Hazardous substances and new organisms

The Hazardous Substances and New Organisms Act 1996 protects the environment and the health and safety of people and communities by preventing or managing adverse effects of hazardous substances and new organisms. The Act is administered by the Ministry for the Environment and implemented and operated by the Environmental Risk Management Authority (ERMA). ERMA is an independent, quasi-judicial decision-making body.

The Act requires that hazardous substances and new organisms are assessed and approved before they are introduced, developed, or manufactured in New Zealand. Public participation is an important element of the approval process. Many applications for approval are publicised and open to public comment and a hearing. Final decisions are also made public.

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Otago Daily Times

Leading Otago conservationist Professor Allan Mark talks to Royal Forest and Bird Society members and others during a visit to Birch Island, on the Clutha River.

Foraging for fungi

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Peter Buchanan

The 'blue toadstool' (Entoloma hochstetteri), is widespread in New Zealand's native forests.

One in eight of New Zealand's most threatened organisms is a fungus that is in need of increased understanding and appreciation.

The annual 'fungal foray', held in a different part of New Zealand each year, aims to help provide this. It also collects data on the distribution and diversity of fungi.

In the autumn of 2009, around 50 people joined the 23rd week-long fungal foray – this time in the forests inland from the Kapiti Coast. The coast is an important research area as some of New Zealand's earliest collections of fungi come from here.

Researchers had access to microscopes, computers, and cameras so each specimen was accurately recorded and added to the database of New Zealand fungi. The foray uncovered 695 specimens, including three varieties not previously recorded in New Zealand.

In 2008, the foray turned up a very rare European mushroom – nestled in the dunes of an Otago beach. The marram oyster is so rare that it's on the European 'red data list' of organisms threatened by extinction. Marram grass was introduced from Europe over 100 years ago to stabilise sandy areas and it's possible the mushroom hitched a ride to New Zealand.

Fungi have vital ecological roles in breaking down wood, to be recycled back into the soil, and through forming beneficial partnerships with trees.

It's estimated there are more than 20,000 species, about three-quarters of which have yet to be recorded.

Source: Landcare Research

Hazardous substances The substances controlled under the Act are those with explosive, flammable, oxidising, corrosive, toxic, or eco-toxic properties that exceed set thresholds. Radioactive substances are managed under the Radiation Protection Act 1965.

Standard (default) controls are contained in a set of regulations. ERMA then applies, and if necessary, varies those controls to set the requirements for each individual substance when it is approved. Alternatively, ERMA may develop group standards or approvals that apply to groups of hazardous substances of a similar nature, type, or use where the risk can be effectively managed by one set of conditions. The controls are generally performance-based. However, the Act allows for codes of practice as prescriptive means of meeting particular controls.

New organisms The Act covers deliberate introduction of new species, such as for primary production or for biological control of pests, as well as genetically modified organisms. The development, field testing, conditional (controlled), and full release of genetically modified organisms all require separate approvals. The Act's provisions that relate to new organisms complement the Biosecurity Act 1993 that controls unintended introduction of unwanted species into New Zealand.

Mineral exploration and development

Exploration of Crown-owned minerals is governed by the Crown Minerals Act 1991, administered by the Ministry of Economic Development Manatū Ōhanga. Under the Act, the Minister of Energy and Resources is required to establish policies, procedures, and provisions for managing Crown minerals. These are set out in the Minerals Programme for Minerals (Excluding Petroleum) 2008, which came into effect on 1 February 2008.

The Minister of Energy and Resources issues permits allocating Crown-owned minerals, or the rights to search for them. Permits have conditions for managing the mineral resource and royalties. The Act provides that anyone prospecting, exploring, or mining Crown minerals must also make land access arrangements with the surface landowner or tenant.

The Crown issues three types of permits:

- prospecting permits for identifying land likely to contain mineral, coal, or petroleum deposits. Permitted activities are very low impact, such as geological mapping, literature search, hand sampling, and aerial surveys
- exploration permits for identifying mineral, coal, or petroleum deposits and evaluating the feasibility of mining. Permitted activities include drilling, bulk sampling, trenching, and mine feasibility studies
- mining permits for the economic recovery of an identified resource.

The environmental impact of mineral prospecting, exploration, and mining, whether Crown or private, is controlled through the Resource Management Act 1991 by local authorities. The Act controls the environmental impact of all mining activities, including the rehabilitation of land.

Water and soil management

New Zealand's water and soil resources are managed according to the Resource Management Act 1991 (RMA), with maintenance and construction of flood protection structures and soil conservation measures covered by the Soil Conservation and Rivers Control Act 1941. Both acts are administered by the Ministry for the Environment.

Under these acts, regional councils are responsible for soil and water management. This includes managing, monitoring, and controlling wetlands and freshwater bodies, and issuing permits for extraction, discharge, and damming of water. The administrative areas of regional councils are based on catchment boundaries (river basins).

Water resources The total amount of water allocated under the RMA for consumption in New Zealand is about 10 billion cubic metres a year, with households allocated 24 percent of this, industry 19 percent, livestock 6 percent, and irrigation 51 percent. In reality, less than the 10 billion cubic metres a year is actually consumed because most permit holders do not use their full allocation. About 87 percent of the population is supplied from public water supply systems, while the rest rely on independent domestic supplies, such as rainwater collection or aquifer bores. Industry obtains about 33 percent of its requirements from public supply systems and 66 percent from its own sources. These figures do not include water for hydroelectric generation, which exceeds 100 billion cubic metres a year, as water flowing through hydro station turbines can be used again. On the Waikato River, including its tributaries, 10 state-owned hydroelectric stations, and a number owned by local authorities, use and reuse a flow, which at Karapiro (the final station) is more than 7 billion cubic metres a year.

In total water resources, New Zealand has an estimated 300 billion cubic metres available annually, although this is not evenly distributed. High mountains, especially in the South Island, create substantial rain-shadow areas (relatively dry areas sheltered by hills from rain-bearing winds). In a few areas, such as Milford Sound, annual rainfalls of more than 10,000 millimetres have been measured, while in others, such as Alexandra, as little as 340 millimetres may fall in a year.

In some parts of New Zealand, including the Canterbury Plains, the Heretaunga Plains in Hawke's Bay, and the Waimea Plain near Nelson, underground water is an important resource. The cities

of Christchurch, Lower Hutt, Napier, and Hastings, draw at least some of their domestic and industrial supplies, as well as irrigation water, from underground sources.

Regulation of water use, through statutory plans and consents (permits) is a regional council responsibility. Management of underground water, and its protection from contamination, is an increasing concern for regional councils in these areas.

Freshwater management Fresh water in New Zealand is both abundant and clean. There is plenty of rain which replenishes streams, rivers, lakes, and groundwater. However, protecting freshwater bodies is a growing challenge as land use has intensified in recent years. For example, water quality is poor in some lowland rivers, and in some areas water shortages are felt at certain times of the year. In order to sustain economic growth, the natural environment, cultural heritage, and the health and well-being of people, water resources must be looked after.

The Government's New Start for Fresh Water programme aims to improve how water is managed. This has three parts: a collaborative process, led by the Land and Water Forum, which aims to establish a common understanding of outcomes, goals, and long-term strategies for fresh water; engagement between the Crown and iwi leaders on freshwater management; and background work by government officials to identify policy options.

Water quality Under the RMA, maintaining water quality is the responsibility of regional councils. The RMA controls discharges into waterways through resource consents. Regional policy statements and regional plans cover water quality policies, objectives, and rules.

The RMA continues earlier legislation, which provided for water conservation orders to be placed over rivers, streams, wetlands, and lakes that have outstanding amenity or intrinsic value. An order can preserve a water body in its natural state, or it can protect certain features by placing restrictions on the future issue of water permits. Providing further guidance to councils on setting water quality limits is a component of the New Start for Fresh Water programme.

River control River control projects carried out by local authorities are designed to prevent damage by erosion and protect property from flood damage. River training gives the river channel a stable alignment to prevent bank erosion. Stopbanks provide flood protection for communities, infrastructure, and low-lying and highly productive agricultural lands.

A catchment-wide approach to water and soil problems is encouraged. District councils control subdivision and other urban development in designated flood hazard zones. Increasingly, flood plain management planning is identifying and mitigating risks associated with flooding.

Soil conservation The shift from forest cover to pastoral land use in many parts of New Zealand has resulted in changed soil conditions over time. The protective, stabilising, and water-controlling combination of vigorous native vegetation, litter, and spongy soil has given way to a shallow-rooted, less protective carpet of grass growing in compacted soils.

Natural erosion, caused by factors such as intense rainfall and the inherent instability of surface rock types for much of the country, has been aggravated by human activities. Nearly 10 percent of land is classified as having severe to extreme erosion problems. Successful techniques that have reduced the frequency and the severity of erosion include control of tussock burning and animal pests, over-sowing, topdressing, strict grazing control, soil conservation, fencing and gully control, tree planting, and permanently retiring land from productive use.

Pollution and waste

Water pollution Problems of water pollution are addressed by regional councils under the RMA. Pollution of rivers and lakes is caused by soil erosion, farm run-off, industrial waste, domestic sewage, and urban run-off. The RMA supports the control of waste discharges through resource consents and rules in plans. These include conditions that ensure the discharge is of a sufficient quality not to harm the receiving river, lake, or ocean. Pollution, such as erosion and farm run-off, requires different approaches, such as changing land-use practices or fencing streams.

The Ministry for the Environment has developed a sustainable land management strategy that addresses, in part, the impact of agriculture on aquatic ecosystems and water quality.

Regulations under the RMA control dumping of waste and other materials, and the discharge of contaminants from ships and offshore installations within the coastal marine area (12 nautical mile limit). Ballast water discharges are controlled by the Biosecurity Act 1993. The New Zealand Waste Strategy 2002 and the Waste Minimisation Act 2008 do not address waste water specifically, but do cover all wastes, defined as anything disposed of or discarded.

Waste The Government's waste management public policy objectives are to lower waste's costs and risks to society, reduce environmental damage from the generation and disposal of waste, and provide economic benefit by using material resources more efficiently.

The New Zealand Waste Strategy 2002 was developed through a central and local government partnership. The strategy is being revised to take account of a review of progress towards targets in 2006 and the tools and responsibilities set out in the new Waste Minimisation Act 2008.

The Ministry for the Environment is implementing the Waste Minimisation Act, which:

- levies all waste disposed of in landfills to generate funding to help local government, communities, and businesses reduce the amount of waste

Glaciers continue to shrink

Image removed due to copyright issues

Jordy Hendriks

Bonar Glacier, with Mt Aspiring to the left.

In 2009, the National Institute of Water and Atmospheric Research (NIWA) continued its annual end-of-summer survey on the snowlines of the South Island's glaciers. NIWA found an ongoing loss of glacier mass.

The survey uses a small fixed-wing aircraft to fly over 50 glaciers in the Southern Alps and Kaikoura. Scientists take photographs, then analyse the images to determine the position of the snowline after the summer melt but before the first winter snowfall. This provides an index of the mass balance or 'health' of the glaciers. The survey has been going since 1977.

Generalised weather patterns from April 2008 to March 2009 meant that overall the glaciers had lost much more ice than they had gained. This was mainly due to the combination of above-normal temperatures and near- or below-normal rainfall for the Southern Alps during winter, and La Niña-like patterns producing more northerly flows. These flows created normal to above-normal temperatures, above-normal sunshine, and well-below-normal precipitation for the Southern Alps, particularly during late summer.

The higher the snowline, the more snow is lost to feed the glacier. On average, the 2009 snowline was about 95 metres above where it would need to be to keep the ice mass constant. This indicates that the loss of glacier mass observed in 2007/08 has continued.

When reporting what is happening to glaciers, it is important to look at more than one factor. The position of the end-of-summer snowline is only part of the story. In New Zealand, an estimated 90 percent of ice loss from glaciers since 1976 is due to down-wasting (ice melting from the top surface) and lake calving (ice chunks 'calve' into a lake formed at the glacier's foot). NIWA's snowline surveys show an overall decrease in the glacier mass balance (and therefore volume) over the past 33 years – but there were periods where the prevailing weather conditions caused the glacier mass balance to increase for a few years.

Worldwide, glaciers are a useful indicator of global warming, but New Zealand's glaciers are more complicated – their source is in an area of extremely high precipitation. More than 10 metres falls each year west of the Southern Alps' main divide, as clouds are pushed up over the sharply rising mountain ranges. This means the mass and volume of New Zealand's glaciers is sensitive to changing wind and precipitation patterns as well as to temperature. For example, the glaciers advanced during most of the 1980s and 1990s when the area experienced about 15 percent more precipitation, associated with more El Niño events and stronger westerly winds.

Furthermore, glacier terminus position (a glacier's 'length') can be misleading if considered on its own, because total volume can be decreasing even while length is increasing.

Source: NIWA

- helps, and when necessary, makes producers, brand owners, importers, retailers, consumers, and other parties take responsibility for the environmental effects of their products through product stewardship schemes
- allows for regulating certain groups (for example, landfill operators) to report on waste to improve information on waste minimisation
- clarifies the roles and responsibilities of territorial authorities with respect to waste minimisation
- introduces a board to give independent advice to the Minister for the Environment on waste minimisation issues.

Contaminated sites Land may be contaminated from historical activities or existing activities that use hazardous substances. The RMA provides controls on existing activities that could contaminate land.

A total of 1,895 contaminated sites have been reported. Of these sites, 1,423 have either been cleaned up or are being managed to make sure they do not significantly affect the environment. The remaining 472 sites have not yet been dealt with.

The Ministry for the Environment is working with other government departments, local government, and industry to develop guidelines and standards for managing and cleaning up contaminated land. Guidelines cover hazardous substances found on sawmills and timber treatment sites, petrol stations and oil storage depots, and old gasworks sites. Guidance is also provided on how to report, identify, collect, and manage information, and investigate contaminated land.

The Contaminated Sites Remediation Fund was established in 2003 to help regional councils investigate and clean up contaminated sites. Environment Waikato is being assisted to remediate the historical Tui mine site on Mt Te Aroha. The geotechnically unstable tailing dam and underground workings are leaching contaminants into local rivers and streams. More than \$7 million has been awarded to 31 projects since the fund was established.

International environmental coordination

New Zealand's work on international environmental issues is carried out by a number of government departments, including the Ministry of Foreign Affairs and Trade, the Ministry for the Environment, the Ministry of Agriculture and Forestry, and the Department of Conservation.

The Ministry of Foreign Affairs and Trade manages and leads New Zealand's participation in the work of and negotiations underway in a number of international organisations, processes, and conventions. This includes the UN Commission on Sustainable Development, the Informal Consultative Process on Oceans and the Law of the Sea, the Global Environment Facility, the International Whaling Commission, the UN Environment Programme, the UN Framework Convention on Climate Change, and the Convention on Biological Diversity. The ministry works closely with other departments and agencies to identify, protect, and advance New Zealand's interests in these negotiations. In addition, the ministry engages with a large number of other interest groups, including Māori, public interest groups, non-government organisations, and businesses, to promote environmental values held by New Zealanders, such as the conservation of whales.

The Ministry for the Environment is responsible for implementing several multilateral environment agreements that New Zealand has ratified, including the UN Framework Convention on Climate Change, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Stockholm Convention on Persistent Organic Pollutants, and the Cartagena Protocol on Biosafety. The ministry also contributes to the work of international organisations, including the UN Environment Programme, the OECD Environment Policy Committee and associated working parties, and regional organisations such as the East Asia Summit. It provides advice on New Zealand's environment policies for ministers and officials attending international environment-related meetings, visiting other countries, and meeting with foreign dignitaries visiting New Zealand.

Global environmental issues

Some of the most pressing environmental problems extend beyond national borders and part of the solution requires international cooperation.

Under international law, the main way countries work together on global environmental issues is through multilateral environmental agreements. These formal agreements can include specific legally binding actions required to be taken, and/or non-legally binding principles that parties may take into account when considering how to address particular environmental issues. New Zealand is a signatory to the key multilateral environmental agreements and its interest in international environmental work is wide-ranging.

Climate change The 1992 UN Framework Convention on Climate Change (UNFCCC) developed a global response to stabilising greenhouse gas concentrations in the atmosphere. New Zealand ratified the UNFCCC in 1993, and, in December 2002, ratified the Kyoto Protocol, which builds on the concerns of the UNFCCC and makes new commitments that are stronger and more detailed.

Having ratified the UNFCCC and the Kyoto Protocol, New Zealand has an obligation to limit its levels of greenhouse gas emissions to 1990 levels, on average, during the period 2008-12, or take responsibility for any excess emissions.

In 2005-06, the Government released a number of discussion documents outlining measures for domestic abatement policy. A domestic emissions trading scheme was selected as the preferred primary policy response to climate change and to ensure New Zealand meets its obligations under the Kyoto Protocol. When the scheme is implemented fully, participants will have to surrender emission units to the Government for their greenhouse gas emissions (measured in tonnes of CO₂ equivalent). The scheme would thereby create an economic incentive for firms in each sector to reduce their emissions. Trade-exposed industries (those that face competition from countries that do not impose a carbon price on that industry) would be given an allocation of free emission units that would phase out over time. The proposed scheme, when implemented fully, would include all sectors and gases covered by the Kyoto Protocol and allow sector trading with other international emissions trading schemes.

The first piece of legislation related to the New Zealand Emissions Trading Scheme (NZ ETS), the Climate Change Response (Emissions Trading) Amendment Act 2008, was passed in September 2008, and the first sector (forestry) entered the scheme retrospectively on 1 January 2008.

In November 2008, the Minister for Climate Change Issues announced that the newly elected National-led Government would do a comprehensive review of climate change policies, and in particular, that of the NZ ETS. A parliamentary select committee considered the relative merits of alternative climate change policies and reviewed the NZ ETS. The review was to ensure that this policy response was the most environmentally and economically appropriate tool for tackling climate change in New Zealand.

The select committee completed its review on 1 September 2009. Taking into account the committee's 34 recommendations, the Government announced that it was modifying the NZ ETS to ease the effect of the scheme on the economy in the transition period as the scheme takes effect. The key changes to the scheme were that:

- agriculture is to enter the scheme in 2015 rather than 2013
- stationary energy and industry entered the scheme in July 2010 rather than January 2010, allowing extra time to develop the necessary regulations for the sectors' entry
- liquid fossil fuels entered the scheme in July 2010, six months ahead of the former entry date of January 2011
- the Government is to provide emission units for immediate surrender at a capped price of NZ\$25 until 2013
- until 2013 participating sectors need to surrender one unit for every two tonnes of emissions
- free allocation to trade-exposed industries is to be based on intensity of emissions, and phased out at a slower rate.

The overall policy development on the NZ ETS is led by the Ministry for the Environment. At present, the Ministry for the Environment, the Ministry of Economic Development, and the Ministry of Agriculture and Forestry jointly administer the NZ ETS. The New Zealand Emission Unit Registry, which is currently maintained by the Ministry of Economic Development in conjunction with the Kyoto Protocol unit register, records all transactions of international units.

Current policies and emissions targets support the Government's climate change objectives, such as the National Energy Strategy, the National Energy Efficiency and Conservation Strategy (to promote energy efficiency, energy conservation, and renewable energy), and waste and transport strategies.

The Government has set two national 'responsibility' targets for reducing New Zealand's emissions:

- a long-term target of a 50 percent reduction in net emissions on 1990 levels by 2050
- a medium-term responsibility target of 10 to 20 percent below 1990 levels by 2020.

The medium-term target range reflects what the Government considers to be a fair contribution by New Zealand to the international effort to reduce greenhouse gas emissions. The range was decided on after weighing up comparable effort of other Annex 1 countries of the UNFCCC, and that of environmental and social factors, economic implications, international relations aspects, and taking into account the results of public consultation.

A responsibility target means that New Zealand can meet its target through a mix of domestic emission reductions, storage of carbon in forests, and the purchase of emissions reductions in other countries. The 2020 target is conditional on the level of global ambition agreed to in international negotiations and on international rules relating to land use, land-use change, and forestry.

Biodiversity New Zealand ratified the Convention for Biological Diversity in 1994 and produced the National Biodiversity Strategy in 2000. A new statement of national priorities was prepared in 2006, and is being developed further at a regional level.

New Zealand has also ratified several conventions that aim to protect specific animals, plants, and ecosystems, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Ramsar Convention, and the Convention on the Conservation of Migratory Species of Wild Animals. New Zealand has five sites on the Ramsar List of Wetlands of International Importance. New Zealand has also ratified the Agreement on the Conservation of Albatrosses and Petrels, which came into force in 2004. This agreement focuses on the effects of incidental capture in fishing operations.

New Zealand has signed the Cartagena Protocol on Biosafety, which aims to protect biodiversity and human health from potential risks arising from the import and export of living modified organisms developed by modern biotechnology. The Ministry for the Environment leads policy development in relation to the Cartagena Protocol and works closely with the Environmental Risk Management Authority to ensure obligations as a party to the Cartagena Protocol are met.

Ocean management New Zealand actively participated in the negotiations to amend the London Convention on the Prevention of Marine Pollution by Dumping of Wastes 1972, and ratified the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal in 1995.

New Zealand was active in the UN Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks, which, in 1995, resulted in a new convention to complement existing provisions of the UN Convention on the Law of the Sea. The convention contains innovative provisions on enforcing conservation and management measures on the high seas. New Zealand has an active conservationist role in the International Whaling Commission. The Ministry of Foreign Affairs and Trade and the Department of Conservation develop policy on whale conservation.

New Zealand played a major role in founding the UN Informal Consultative Process on Oceans and the Law of the Sea. The Government has been reviewing the management of New Zealand's oceans within its exclusive economic zone (EEZ) and extended continental shelf, to improve and integrate decisions about the use of marine space and resources.

New Zealand's EEZ extends from 12 to 200 nautical miles offshore and is one of the largest in the world. The EEZ has a wealth of natural biodiversity values, and has great potential for future economic opportunities such as seabed minerals and energy generation. Work is currently being done to ensure that any potential harvesting of these resources is undertaken responsibly and in a sustainable way.

South Pacific environment issues New Zealand recognises that South Pacific countries are especially vulnerable to global environmental problems. New Zealand has sought to support Pacific island countries, and to ensure their concerns are heard through the South Pacific Environment Programme, the South Pacific Forum, and other international environmental negotiations.

New Zealand was involved in the Global Conference on the Sustainable Development of Small Island States in Barbados in 1994, and in a 1999 United Nations special session to review the Barbados Programme of Action. In 1995, New Zealand signed the Waigani Convention to ban imports of hazardous and radioactive wastes into South Pacific Forum countries, and to control transboundary movement and management of hazardous wastes within the South Pacific region.

International environmental institutions

New Zealand is a member country of the UN Environment Programme and was a member of the governing council from 2000 to 2003. New Zealand participates in the annual meetings of the Governing Council/Global Ministerial Environmental Forum, where environmental issues are discussed and policy guidance developed for directing environmental programmes within the United Nations system.

The Global Environmental Facility (GEF) is an international body that provides finance to developing countries to help them address critical threats to the global environment. New Zealand is a donor country and a member of one of the constituencies of the GEF Council. New Zealand has contributed about \$27.5 million since 1994 and pledged \$8.4 million to the fourth replenishment of the facility from 2006 to 2010. New Zealand is involved in international negotiations around the size of the fifth replenishment, and has agreed to contribute.

New Zealand is also involved in the Environment Policy Committee and various working groups (nanotechnology, climate change, trade, and environment) of the Organisation for Economic Co-operation and Development.

Trade and the environment

The New Zealand Government includes environment and labour elements in all bilateral and regional trade agreements. The Ministry for the Environment works with the Ministry of Foreign Affairs and Trade to negotiate environment-related provisions and agreements. The Ministry for the Environment is responsible for implementing these environment provisions and agreements, which are currently held with Thailand, China, Hong Kong, Malaysia, and under the Trans-Pacific Partnership, with Chile, Singapore, and Brunei.

Land resources and ownership

Land Information New Zealand

Land Information New Zealand Toitū te Whenua (LINZ) provides New Zealand's authoritative land and seabed information. Its purpose is to maintain and build confidence in property rights in land and geographic information, and encourage land information markets to develop and mature.

LINZ advises government on land-related laws and policies, and administers its land interests and regulations on foreign investment in New Zealand. It also provides a secure environment for buying, selling, or subdividing property, and ensures New Zealand has high-quality core geographic information.

LINZ's day-to-day business includes:

- providing policy advice to government
- overseeing survey infrastructure
- maintaining up-to-date topographic and hydrographic information
- issuing and registering land titles
- setting standards for rating valuation
- acquiring, managing, and disposing of Crown-owned property
- assisting government to address land-related aspects of Treaty of Waitangi issues
- administering the government's foreign investment policies, including monitoring significant investment into New Zealand, and assessing applications for consent from foreigners intending to make substantial investments
- processing and approving survey plans.

Acts administered by LINZ include the Cadastral Survey Act 2002, Crown Grants Act 1908, Deeds Registration Act 1908, Land Act 1948, Land Transfer Act 1952, New Zealand Geographic Board Act 2008, Public Works Act 1981, Rating Valuations Act 1998, the Unit Titles Act 1972, and various reserves and other land disposal acts.

The chief executive has statutory functions under the Public Works Act relating to the disposal of surplus land. More than 450 other statutes give LINZ specific responsibilities for land transactions.

Surveying, land registration, and mapping

Surveying infrastructure The New Zealand survey system provides a national spatial reference framework, along with records of property boundaries to accurately locate land and seabed rights and resources. The spatial reference framework is based on a national network of survey control marks, including trigonometric stations that are connected to global reference frameworks.

LINZ administers the survey system, primarily to provide reliable identification and definition of land boundaries for recording land rights for Crown, Māori, freehold, and leasehold tenures.

The survey system, together with street addresses and place names, facilitates the accurate location of other land and geographic information for a wide variety of purposes including:

- emergency response
- defining electoral and other administrative boundaries
- determining New Zealand's national and economic zone boundaries
- land development
- resource management
- granting mining and marine licences
- locating utilities
- engineering and construction
- topographic mapping and hydrographic charting
- scientific studies
- locating marine and air navigation aids.

The locations of boundaries and interests in land are defined and documented by licensed cadastral surveyors, mainly in the private sector. The surveyors submit surveys to LINZ to be validated against existing records. LINZ maintains registers of rights and interests in land, and checks to ensure new rights do not conflict with existing rights. This ensures certainty and security about the extent of land rights and interests.

LINZ's Landonline system provides an authoritative database of survey and title information. Landonline enables professionals to undertake title transactions online and surveyors to digitally prepare and submit cadastral surveys directly with LINZ. Since 1 September 2007, it has been mandatory for all cadastral survey plans to be lodged electronically through Landonline.

Finding your way around

In September 2009, New Zealand moved to using a new official topographical map series called Topo50. This is one of the most significant changes to official maps since the 1930s.

The 451 maps, which cover all of New Zealand, are produced at a 1:50,000 scale. Designed to help people who need to move through remote parts of the country, Topo50 maps are primarily used by search and rescue organisations, the defence forces, and Department of Conservation staff – who helped in planning the change. As well as showing the country's topography, the maps also indicate walking tracks and huts for the public who enjoy tramping.

Land Information New Zealand (LINZ) developed the new series to be more compatible with international mapping systems and with modern navigational technologies such as global positioning system (GPS).

The Topo50 map series uses a new datum, the New Zealand Geodetic Datum 2000, and a new projection, New Zealand Transverse Mercator 2000. This means the new maps have slightly different latitudes and longitudes of points than those used on previous official maps – each point has moved about 190 metres in a north-south direction and 10 metres in an east-west direction. GPS receivers can be reset to accommodate the change.

In a world first, LINZ released the entire Topo50 map series simultaneously. To do this, LINZ built a new, fully automated map production system called Pre-press. The system allows updated maps to be produced in minutes, instead of months.

Source: Land Information New Zealand

Land title registration services Nearly all privately owned land in New Zealand is held under the land title system, under the authority of the Land Transfer Act 1952. Registered land ownership details are a public record. The primary objective of the system is to provide state-guaranteed certainty of title to land. The register provides ownership details for a piece of land and a record of any registered interests. Most land is defined in reference to a survey plan. Documents listed on a computer register may include mortgages, leases, various types of charges, and rights and restrictions that affect the land in some way.

LINZ provides land title registration services. Most of LINZ's professional customers access this information through the Landonline system, which allows title transactions to be submitted electronically for registration. Electronic registration through Landonline became mandatory in October 2008.

Mapping and charting Topographic and hydrographic information provides a reliable and authoritative record of New Zealand's land and sea features. The information includes 1:50,000 and other core topographic maps (including maps of the Pacific and Antarctica), the digital topographic database, and the digital hydrographic database for producing official hydrographic charts.

Information is used for planning, construction, development, environmental assessment, local government administration, emergency services, search and rescue, and defence. Commercial ships navigating New Zealand waters must carry official hydrographic charts and publications. This statutory requirement contributes to safety at sea. Recreational boaters are encouraged to use the information for small craft navigation. Charts range from detailed representations of harbours and their entrances to depictions of deep-sea passages.

Table 16.02

Land transfer documents processed						
Year ending 30 June						
Year	Instruments ⁽¹⁾ received	Certificates of title	Plans lodged	Guaranteed searches ⁽²⁾	Title searches	Document searches
2000	759,003	52,983	13,455	195,125	838,453	197,993
2001	662,945	46,803	11,700	181,618	824,708	179,417
2002	705,590	41,897	10,016	215,337	968,391	194,737
2003	818,225	45,571	10,836	195,791	1,317,569	268,501
2004	931,734	51,219	11,489	229,304	1,671,056	312,709
2005	891,778	54,510	12,809	260,609	2,066,238	351,197
2006	877,815	59,548	13,296	295,660	2,511,502	453,019
2007	886,377	53,459	13,025	297,672	2,642,396	581,468
2008	695,243	57,307	13,680	257,334	2,602,268	602,523
2009	545,200	45,432	10,091	222,007	2,233,582	550,223

(1) An electronic document or plan relating to dealings with land. (2) Provides security to a property purchaser that the title will remain for a defined period as it appears in the land register at the time of the search. This is backed by a State guarantee.

Source: Land Information New Zealand

Table 16.03

Market sales of freehold rural land ⁽¹⁾					
Half years ending 30 June and 31 December					
Half year ending	Number of sales	Total sales \$(million)	Index number ⁽²⁾	Change from previous half year (percent)	
1999 Jun	1,347	701.9	663	+0.9	
Dec	952	438.0	666	+0.5	
2000 Jun	1,298	720.4	670	+0.6	
Dec	1,192	737.8	700	+4.5	
2001 Jun	1,712	1,179.4	726	+3.7	
Dec	1,534	1,036.6	780	+7.4	
2002 Jun	1,484	1,118.7	802	+2.8	
Dec	1,235	883.3	835	+4.1	
2003 Jun	1,442	1,215.8	906	+8.5	
Dec	839	645.4	1000	+10.4	
2004 Jun	1,677	1,672.6	1117	+11.7	
Dec	1,323	1,451.3	1228	+9.9	
2005 Jun	1,622	2,175.9	1324	+7.8	
Dec	1,099	1,329.5	1552	+17.2	
2006 Jun	1,184	1,687.9	1483	-4.4	
Dec	1,018	1,279.4	1522	+2.6	
2007 Jun	1,323	2,012.2	1549	+1.8	
Dec	1,240	1,970.1	1805	+1.8	
2008 Jun	1,454	3,122.8	2045	+2.1	
Dec	795	1,427.3	2018	+1.3	

(1) From the June 2000 half year onwards, sales collated by sale date. Prior to that, sales are collated by date sale notice received by Quotable Value. (2) Base 1000 for half year ending 31 December 2003.

Source: Quotable Value

Acquisition of New Zealand assets by overseas parties

Under the Overseas Investment Act 2005, overseas people require consent to acquire investments in sensitive land or investments in significant business assets (non-land assets) if the value of those assets exceeds NZ\$100 million. Under sections 56 to 58B of the Fisheries Act 1996, overseas people require consent to acquire fishing quota.

The Minister of Finance is the minister responsible for the Overseas Investment Act. The Overseas Investment Office, within Land Information New Zealand, administers this legislation.

An 'overseas investment in sensitive land' is defined in the Act and includes acquisitions of interest (for more than three years) in land that:

- is more than five hectares in area (and is not urban land)
- includes part of the foreshore or seabed or is more than 2,000 square metres and adjoins the foreshore
- includes an island (other than the North or South Island, or certain specified islands).

Consent is also needed for an overseas person to purchase or acquire an interest (for more than three years) in land greater than 4,000 square metres that:

- is held for conservation purposes
- is provided as a reserve, a public park for recreation purposes, or as a private open space
- is subject to a heritage order or a requirement for a heritage order
- is a registered historic place, historic area, wāhi tapu (sacred place), or for which there is an application or proposal to be registered as such
- includes or adjoins the bed of a lake
- is on certain specified islands
- adjoins a regional park or certain other classes of reserves, parks, or other sensitive land listed under section 37 of the Overseas Investment Act
- adjoins land that exceeds 4,000 square metres and: is held for conservation purposes, or is provided as a scientific, scenic, historic, or nature reserve; is subject to a heritage order or a requirement for a heritage order; is a registered historic place, historic area, wāhi tapu, or area for which there is an application or proposal for registration as such; adjoins the sea or a lake and is an esplanade reserve or strip, recreation reserve, a road, or Māori reservation.

Most applications by overseas people are decided by the Overseas Investment Office under delegation from the Minister of Finance and the Minister for Land Information. All significant business asset transactions are decided by the office under delegation from the Minister of Finance. All applications for consent to acquire fishing quota are decided by the Minister of Finance and the Minister of Fisheries.

In considering whether or not to grant consent to an investment transaction, the decision maker must consider relevant criteria and factors in the Act and regulations. The Act also allows conditions to be imposed on any consent granted and for those conditions to be monitored and enforced.

Māori land

Before European settlement, all land was held by various groups and tribes of Māori in accordance with traditional customs and usage. Land remaining in this tenure is termed 'Māori customary land'. The right to purchase land from Māori was reserved to the Crown by the Treaty of Waitangi. Most of what had been Māori customary land was converted to other forms of title by one or other of the following processes:

- purchase or other acquisition by the Crown, from whom European settlers obtained land
- issue of a Crown grant to a Māori owner on recommendation of the Māori Land Court
- issue of a freehold order by the Māori Land Court in favour of the Māori individual found to be entitled to the land after investigation.

Freehold orders were used instead of Crown grants after the land transfer system was introduced.

Land in the titles issued under the latter two processes became known as 'Māori freehold land'. Māori can buy or otherwise acquire land which is not Māori freehold land, so there is a considerable amount of general land owned by Māori in addition to holdings of Māori freehold land. Māori freehold land is subject to jurisdiction of the Māori Land Court, under the Te Ture Whenua Māori Act 1993. Some general land owned by Māori is also subject to certain provisions of that Act.

Māori Land Court The Māori Land Court Te Kooti Whenua Māori helps administer Māori land and preserve taonga Māori (Māori treasures), and helps owners manage Māori land. The court maintains records of title and ownership of Māori land, provides accurate and accessible information from court and Crown records, and provides support and services.

Table 16.04

Land administered by Māori Land Court		
By land court district		
At 14 October 2009		
District	Number of blocks	Total area (hectares)
Tai Tokerau	1,359	90,567
Waikato-Maniapoto	3,781	124,480
Wairariki	5,231	345,144
Tai Rāwhiti	5,313	268,140
Aotea	3,753	409,546
Tākitimu	5,460	151,581
Te Waipounamu	1,848	68,833
Total	26,745	1,458,291

Source: Ministry of Justice

A strategic goal of the court is to make its services, in particular title and ownership information, easily accessible to Māori. The court's website provides email access to all court offices and answers to frequently asked questions about succession, trusts, Māori reservations, and court processes. An online search tool provides title and ownership details. Table 16.04 lists the blocks of land administered by the Māori Land Court in each district.

Crown-owned land

Crown-owned land is administered by various Crown agencies under a number of acts, including the Public Works Act 1981, the Land Act 1948, the Reserves Act 1977, the National Parks Act 1980, the Forests Act 1949, and the Crown Pastoral Land Act 1998. The Department of Conservation administers New Zealand conservation and reserve land.

Land administered by Land Information New Zealand LINZ manages almost three million hectares of Crown land outside of the conservation estate, or around 8 percent of New Zealand's land area. At 30 June 2009, this included:

- unalienated Crown land (approximately 2,900 properties), under the Land Act and various endowment acts
- approximately 1.6 million hectares of Crown pastoral leasehold land in the South Island high country (226 properties), under the Crown Pastoral Land Act
- Crown forest licence land subject to the Crown Forest Assets Act 1989 and also subject to Crown forestry licences (72 licences). On 1 July 2009, ownership of the land in 23 Crown forest licences passed to iwi in accordance with the Central North Island Forests Land Collective Settlement Act 2008, reducing the Crown forestry licences managed by LINZ to 49
- land no longer required by the Crown for the public work purpose it was acquired for (112 properties), under the Public Works Act
- land no longer required for railway operations (727 properties), under railways legislation including the Railways Corporation Restructuring Act 1990.

LINZ regulates how government agencies acquire, manage, and dispose of land under the Public Works Act, Land Act, and related legislation. This includes LINZ exercising statutory powers and functions.

It also administers around 353 Crown land-related liabilities, such as contaminated sites and subsidence areas, and historical matters arising from actions or inactions of Crown agencies that may have been disestablished. LINZ also controls pest plants and animals on the land it administers and on Crown-owned river and lake beds.

Under the Crown Pastoral Land Act 1998, LINZ operates the process of tenure review, which determines what land should be retained by the Crown for conservation purposes and what the lessee can gain as freehold title. Tenure review is a negotiated agreement between the Crown and lessee.

It is a voluntary process for both the Crown and lessees, and the Commissioner of Crown Lands (who exercises rights of ownership and has statutory responsibility for all Crown land) has exercised the Crown's discretion not to participate in tenure review in some cases.

As at 30 June 2009, 72 pastoral leases eligible for review under the Act have had their tenure reviews completed or unconditionally agreed. This amounts to approximately 396,000 hectares of land, of which 188,000 hectares (47 percent) have been or will be returned to the Crown as conservation land, and 208,000 hectares (53 percent) that have been or will be disposed of as freehold to the former lessees. An additional five pastoral leases covering approximately 126,000 hectares have been bought outright by the Crown for conservation. Of the remaining 226 pastoral leases, 92 were in some stage of tenure review.

Land administered by service delivery Crown agencies This land is held for government works under the Public Works Act and education, defence, and law and order legislation.

Land administered by the Department of Conservation The Department of Conservation administers public conservation land, which includes national and forest parks, world heritage areas, wilderness areas, marginal strips around lakes and rivers, marine reserves, and more than 1,000 other reserves. It also protects privately owned land under special arrangements with landowners. The department is responsible for conservation in New Zealand's subantarctic islands.

Landcorp Farming Ltd

Landcorp Farming Ltd (Landcorp) is a state-owned enterprise. It is New Zealand's largest farmer, running 1.5 million stock units on 105 properties totalling 374,948 hectares, owned or leased. Its activities include:

- pastoral livestock farming of beef cattle, sheep, dairy cattle, and deer, according to best practice and in a sustainable manner

- offering farming-related services, leveraging its core competencies on a commercial basis and where appropriate participating in industry-good activities
- development and marketing of livestock genetics and systems, and developing farms to their optimal sustainable potential
- Landcorp optimises its farmland portfolio by selling non-strategic properties, including land of higher value than farming (subject to the requirements of the Protected Land Agreement with the Crown), amalgamating its farms, and by purchasing strategic properties to form clusters of farms to achieve economies of scale and synergies in their operation.

Landcorp is the parent company of Landcorp Group. It has four wholly owned subsidiaries:

- Landcorp Developments Ltd and Landcorp Pastoral Ltd, which lease and develop former forestry land in the central North Island
- Landcorp Estates Ltd, which develops and sells land suitable for higher-value use than farming
- Landcorp Holdings Ltd, which holds land protected from sale.

Land valuation

Fair land values are needed to decide rating levies across contributing local authorities. Land values are also used for assessing stamp, estate, and gift duties, and for fixing prices for transfers of land to or from the Crown.

Valuers compete to gain contracts with local authorities to assess values of real estate for local rating purposes. The valuer-general audits the work of the valuers.

Valuers determine the value of the land as if it were vacant, the capital value of the whole property (land and buildings, plus improvements), and the value of improvements (if any) on the land.

Valuation rolls These rolls show ownership, and describe and value each property. District valuation rolls are revised at least once every three years. Objections can be lodged against revaluations and taken to the Land Valuation Tribunal.

Rating valuations The Local Government (Rating) Act 2002 allows real estate valuations to be used as a basis for fair adjustment of rates and levies across local authorities, or between parts of a district, city, or region if they have been re-valued at different times.

Valuers' Registration Board This board is chaired by the valuer-general and sets standards of education and practical experience required for registration. The board maintains a register of valuers who meet required standards, and issues annual practising certificates to public valuers.

The New Zealand Geographic Board

The New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa is responsible for official place-naming in New Zealand, its territorial waters and offshore islands, the undersea features of its continental shelf, and the Ross Sea region of Antarctica. The board also reviews and supports the naming for Crown-protected areas, which are administered by the Department of Conservation.

The process for assigning, approving, altering, or discontinuing the use of names for geographic features is determined by the New Zealand Geographic Board (Nga Pou Taunaha o Aotearoa) Act 2008. Rules and guiding principles for naming have been developed by the board over time. Consultation with the general public and with iwi (tribes) is an essential part of the process.

The functions of the board are to:

- assign, approve, alter, or discontinue official or recorded names
- investigate and determine the position and extent of features with official names
- adopt policies, rules, and standards for official names
- examine cases of doubtful spelling
- investigate and determine the priorities of discovery of a feature
- collect original Māori names and encourage their use on official charts and maps
- seek advice from Te Taura Whiri i te Reo Māori (Māori Language Commission) on the correct spelling of Māori names
- undertake research into proposals to name or alter the name of geographic features
- undertake other functions necessary to give effect to the 2008 Act or any other enactment.

When objections are received to a publicly notified proposal, the final determination may be made by the Minister for Land Information, if the board does not uphold the objections. Where there are no objections or where the board upholds objections, the final determination must be made by the board.

Time frames for assigning or changing place names vary, but on average the process takes about a year.

Naming places in New Zealand

Image removed due to copyright issues

The Dominion Post

Signwriter Steve Couper was hoping Wanganui would officially change its name to Whanganui, as it would be good for his business.

The New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa has responsibility for place naming in New Zealand, its offshore islands, and in the Ross Sea Dependency region of Antarctica. Naming responsibility also extends to undersea features within the 12-nautical-mile limit.

The board, chaired by the surveyor-general, adopts naming rules, examines cases of doubtful spelling, investigates and determines the priority of discovery, collects original Māori place names for recording on official maps, encourages the use of original Māori place names, determines what foreign names should be replaced by Māori or English names, and investigates any proposed alteration of a place name or any proposed new name.

In 2009 the board considered nearly 900 public submissions on a proposal to change the spelling of Wanganui [city] to Whanganui. About half were in favour, and half against. The board accepted the proposal and referred the decision to the minister to confirm, modify, or reject.

“Historical evidence shows that early settlers clearly intended the name of the city to be derived from the Māori name for the river,” Dr Don Grant, board chairperson, said.

In late 2009, Maurice Williamson, Minister of Land Information, announced the official geographic name would be the alternatives Whanganui or Wanganui. He said that offering the alternatives ‘respectfully’ acknowledges the correct Māori spelling, while also respecting those who have always known the name as Wanganui.

Crown agencies will use Whanganui. Their signage, publications, and other official documents will gradually be updated to reflect the change.

Source: Land Information New Zealand

Public conservation land

The Department of Conservation Te Papa Atawhai administers the majority of publicly owned land in New Zealand that is protected for biodiversity, scenic, scientific, historic, and cultural reasons, or set aside for recreational purposes. The land administered by the department is more than 8.8 million hectares – nearly 33 percent of New Zealand's total land area.

New Zealand has 14 national parks, covering more than 3 million hectares; many other conservation areas cover about 4.7 million hectares, and many thousands of reserves make up the rest of the 8.8 million hectares. Approximately 100,000 hectares of protected private land and covenants exist for various conservation purposes, such as scenic, scientific, and ecological reasons.

The department is responsible for preserving and managing wildlife, and has a role in managing the coastal marine area. It is responsible for fire control on State-owned areas, which includes national parks and reserves, forest parks, and all unalienated Crown land, together with a one-kilometre fire safety margin adjoining all these lands.

National parks

The National Parks Act 1980 provides for national parks to be established in areas where the scenery is of such distinctive quality, or the natural features or ecological systems are so scientifically important, that their preservation is in the national interest. The Act also provides for public access to the parks, though this is subject to conditions and restrictions necessary for preserving native plants and animals, or for the welfare of the parks in general. Specially protected areas, which total 55,000 hectares, are accessible by permit only.

National parks are kept, as far as possible, in their natural state so that their value as soil, water, and forest conservation areas is maintained. Native plants and animals are preserved, and introduced plants and animals are removed if their presence conflicts with aims of the Act.

National parks of New Zealand

Image removed due to copyright issues

The New Zealand Herald

Trampers look toward the Blue Lake, the halfway point on the Tongariro Crossing on the Central Plateau. Tongariro National Park is recognised as a world heritage site.

Te Urewera National Park – 212,675 hectares, established 1954 – together with neighbouring Whirinaki Forest Park, is the largest remaining area of native forest in the North Island. It includes Lake Waikaremoana, noted for its scenic shoreline.

Tongariro National Park – 79,598 hectares, established 1887 – is New Zealand's first national park. It includes three active volcanoes, Ruapehu, Ngauruhoe, and Tongariro. Tongariro National Park is a world heritage area.

Egmont National Park – 33,534 hectares, established 1900 – comprises all the land within a nine-kilometre radius of the Mt Egmont/Taranaki summit and some outlying areas to the north. The symmetrical cone of the dormant volcano is a provincial landmark. The park is also noted for its green forest, waterfalls, and wetlands.

Whanganui National Park – 74,231 hectares, established 1986 – borders the Whanganui River. It incorporates areas of Crown land, former State forests, and a number of former reserves. The river itself is not part of the park.

Kahurangi National Park – 452,002 hectares, established 1996 – is situated in the north-west of the South Island. It consists of spectacular and remote country, and includes the Heaphy Track. It has ancient landforms, with wild rivers and unique flora and fauna. It is New Zealand's second-largest national park.

Abel Tasman National Park – 22,530 hectares, established 1942 – has numerous tidal inlets and beaches of golden sand along the shores of Tasman Bay. As well as its beaches, it is renowned for its sculptured granite cliffs and its world-famous coastal track. It is New Zealand's smallest national park.

Nelson Lakes National Park – 101,753 hectares, established 1956 – is a rugged, mountainous area in the Nelson region. It extends southwards from the forested shores of Lakes Rotoiti and Rotoroa to the Lewis Pass National Reserve.

Paparoa National Park – 30,560 hectares, established 1987 – is on the west coast of the South Island between Westport and Greymouth. It includes the pancake rocks at Punakaiki.

Arthur's Pass National Park – 114,500 hectares, established 1929 – is a rugged and mountainous area straddling the main divide of the Southern Alps. It features high mountains with large scree slopes, along with wide, braided rivers and steep gorges.

Westland/Tai Poutini National Park – 117,547 hectares, established 1960 – extends from the highest peaks of the Southern Alps to a wild, remote coastline. It incorporates glaciers, scenic lakes, dense rainforests, and along the coast, remains of old goldmining towns.

Aoraki-Mt Cook National Park – 70,696 hectares, established 1953 – is an alpine park containing New Zealand's highest mountain, Aoraki-Mt Cook (3,754 metres), and its longest glacier, Tasman (29 kilometres). A focus for mountaineering, ski touring, and scenic flights, the park is an area of outstanding natural beauty. The Aoraki-Mt Cook, Westland/Tai Poutini, Mt Aspiring, and Fiordland national parks have together been declared a world heritage area.

Mt Aspiring National Park – 355,543 hectares, established 1964 – is a complex of impressively glaciated mountain scenery centred on Mt Aspiring (3,036 metres), New Zealand's highest peak outside Aoraki-Mt Cook National Park.

Fiordland National Park – 1,251,924 hectares, established 1952 – is the largest national park in New Zealand and one of the largest in the world. The grandeur of Fiordland National Park's scenery, with its deep fiords, lakes of glacial origin, mountains, and waterfalls, has earned it international recognition as a world heritage area.

Rakiura National Park – 163,000 hectares, established 2002 – is New Zealand's newest national park. It covers about 85 percent of Stewart Island/Rakiura. It is one of the most pristine areas of New Zealand wilderness, containing unspoiled native ecosystems, from scrub-covered mountain tops to wild coastline.

Source: Department of Conservation

Activity in wilderness areas within national parks is for the most part restricted to what is deemed necessary for the preservation of the native plants and animals of the park.

The Act enables the Minister of Conservation to approve accommodation and other buildings, hostels, huts, camping grounds, ski tows, and similar facilities within national parks. Staff and non-commercial accommodation, public roads and parking areas, and tracks are provided by the Department of Conservation. Accommodation, transport, and other services at entry points to parks are provided by the department, other government agencies, voluntary organisations, and private enterprise. Some services, such as guided walks and skiing instruction, are provided by the private sector authorised by the department acting under the Minister of Conservation.

World heritage areas

New Zealand has three sites in the United Nations Economic, Scientific and Cultural Organisation (UNESCO) World Heritage List. They are Te Wahipounamu (south-west New Zealand), Tongariro National Park, and New Zealand's subantarctic islands. At November 2009, the list had 890 sites in 148 states that are recognised as the most outstanding natural and cultural places on earth.

Te Wahipounamu is one of the world's great forest and mountain wildernesses. It consists of 2.6 million hectares (10 percent of the area of New Zealand) of the south-west of the South Island. It includes Fiordland, Mt Aspiring, Westland/Tai Poutini, and Aoraki-Mt Cook national parks, and the coastal swamp kahikatea forests of south Westland.

Tongariro National Park is one of a limited number of sites accorded world heritage status for both its natural and cultural values. It contains some of the world's most continuously active strato-volcanoes, and was the first national park in the world to be freely gifted to the nation by an indigenous people, Ngāti Tūwharetoa, to whom the mountains are sacred.

New Zealand's subantarctic islands consist of five island groups (the Snares, Bounty Islands, Antipodes Islands, Auckland Islands, and Campbell Island) in the Southern Ocean south-east of New Zealand. The wildlife on the islands – birds, plants, and invertebrates – have high productivity, biodiversity, population density, and are highly endemic.

The islands are particularly notable for the large number and diversity of pelagic seabirds and penguins that nest there. There are 126 bird species in total, including 40 seabirds, of which five breed nowhere else in the world. The islands are major breeding places for several species, including the yellow-eyed penguin, the royal albatross, and the Hooker's sea lion. The threat of rats or other predatory animals accidentally being introduced to the islands has led the Department of Conservation to only allow access by permit.

Conservation parks and other specially protected conservation areas

Conservation parks and other specially protected conservation areas, such as sanctuaries, and ecological and wilderness areas, protect natural and historic resources and provide a space for public recreation and enjoyment. These areas cover just over 2.5 million hectares.

Conservation parks provide a less restricted range of recreational activities than national parks and reserves, allowing tramping, camping, fishing, and shooting for a variety of game. There are 32 conservation parks, covering coastal areas, forests, lakes, mountains, tablelands, and tussock grasslands, with a total area of approximately 2 million hectares.

Reserves

Reserve land includes scenic, nature, scientific, historic, national, and recreation reserves, and wildlife management reserves.

Scenic reserves include areas of scenic interest, such as native forests, limestone and glow worm caves, thermal areas, coastal areas, lakes, rivers, waterfalls, and scenic vantage points. About 388,000 hectares are classified as scenic reserves.

Nature reserves preserve native plants and animals. They are generally areas where rare plants are growing or which supply a suitable habitat for rare birds or other animals. There are 114,000 hectares of nature reserves; some on the mainland, but most are on offshore or outlying islands.

National reserves protect areas of outstanding natural beauty, or scientific or ecological importance. They offer the second-highest degree of protection, next to national parks. The total area of national reserves is 96,000 hectares.

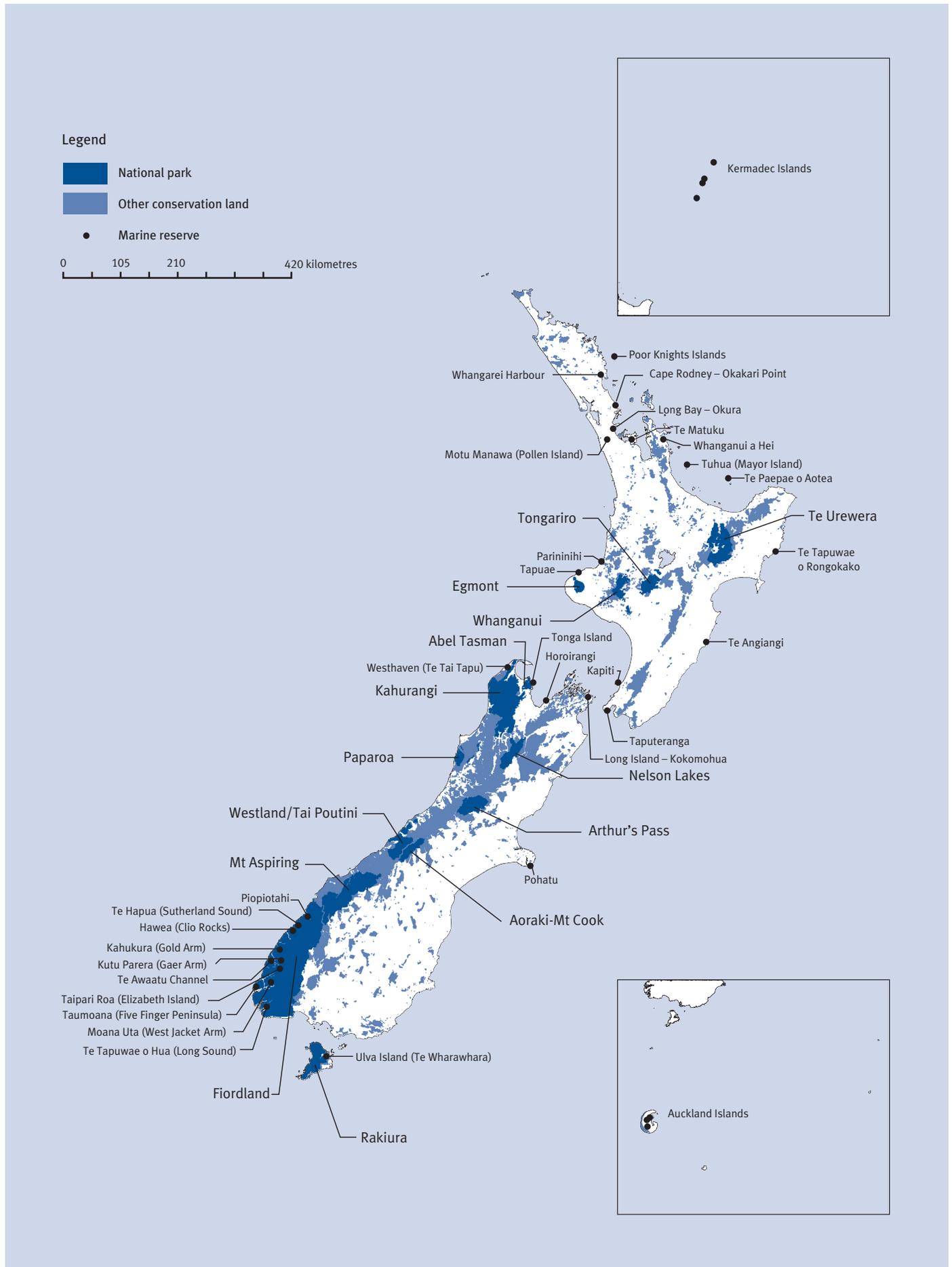
Scientific reserves are generally smaller areas that protect examples of rare or endangered plants, animals, or unique geographical features for scientific research or education. Entry may be prohibited if it is necessary to prevent disturbance. Their total area is 16,150 hectares.

Historic reserves include sites with Māori rock drawings, sites of prehistoric fortifications, landing places of Captain Cook, sites of engagements during the New Zealand wars, and buildings of historic importance. The Department of Conservation and the New Zealand Historic Places Trust cooperate in investigating and administering reserve sites and buildings. There are 5,500 hectares of historic reserves.

Recreation reserves include public domains, camping grounds, and other public recreational areas administered by the Department of Conservation. Their total area is slightly more than 232,000 hectares.

Figure 16.04

New Zealand conservation areas, 2009



Source: Department of Conservation

Whale conservation

Thirty-five species of whales and dolphins have been recorded in New Zealand waters. Five of the largest whale species – blue, sperm, humpback, Bryde's, and southern right whale – are regular visitors.

New Zealand works in many forums to advance the conservation status of whales. In 2007 New Zealand became a founding signatory to the Pacific Cetaceans Memorandum of Understanding, which is part of the broader Convention on Migratory Species. New Zealand is an active member of the International Whaling Commission (IWC). In 1994 the IWC established the Southern Ocean Whale Sanctuary, which includes all New Zealand waters south of 40 degrees latitude.

More than 11 million square kilometres of the South Pacific within exclusive economic zones have either specifically been declared as whale sanctuaries by Pacific island governments, or are areas where whales are effectively protected under national legislation.

Marine reserves and parks

There are more than 1,200 different fish species in the waters around New Zealand, as well as various species of seal, whale, dolphin, and seabird. More species of albatross breed in New Zealand than anywhere else in the world.

New Zealand has 33 marine reserves, with the Kermadec Islands Marine Reserve the largest at 748,000 hectares. The Cape Rodney – Okakari Point Marine Reserve (518 hectares) was the first, created in 1975, followed by the Poor Knights Islands Marine Reserve (1890 hectares) in 1981. The most recently established was Taputeranga Marine Reserve, on Wellington's south coast.

New Zealand has four marine parks – Mimiwhangata, Tawharanui, Sugar Loaf Islands, and the Hauraki Gulf Marine Park. New Zealand also has six marine mammal sanctuaries, Auckland Islands, Banks Peninsula, Catlins Coast, Te Waewae Bay, Clifford and Cloudy Bay, and the west coast of the North Island.

Biodiversity protection mechanisms

Covenants A covenant is a legal agreement that protects the natural values of private land for a specified time, often in perpetuity. It is registered on the land title and binds future owners for the term of the covenant.

The QEII National Trust provides for open space covenants. The trust is an independent body that allows permanent legal protection of natural features, including landscapes, bush, wetlands, coastline, lakes, streams, geological features, and cultural and archaeological sites.

Conservation covenants can also be agreed with the Department of Conservation or a local government agency (or other authorised body), such as the Nature Heritage Fund or Ngā Whenua Rahui. The costs of protecting an area under a covenant may be met either fully or partly by the agency administering the protection mechanism, especially if the conservation values are nationally important.

Birds in residence

For one hour during a specified week in winter each year, bird enthusiasts and members of the public carefully observe and record which, and how many, birds are visiting their home gardens, a public park, or the local school grounds.

They're taking part in the Garden Bird Survey, run as a collaborative project by Landcare Research, Forest and Bird, the Ornithological Society, and other interested organisations and councils. The survey monitors the distribution and population trends of common birds in urban areas.

New Zealand has a number of rare native bird species whose populations are declining (the kiwi, for example), but trends for the more common native and introduced species are not well known.

Native species found in urban environments include the bellbird, fantail, grey warbler, kereru (wood pigeon), silvereye, and tui. Without public help, a population decline may not be noticed before it becomes alarming for the species' survival.

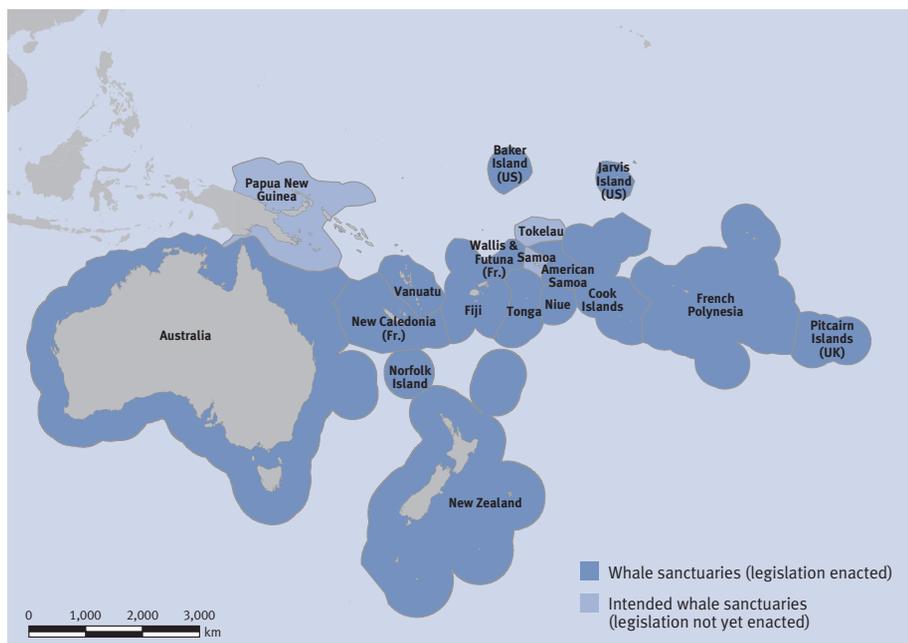
Preliminary results from 2009 show the house sparrow was again the most common species, with an average of 12.2 per garden (11.4 in 2008). Silvereye numbers were down from 8.9 per garden in 2008 to 6.4 in 2009, possibly due to a virus.

Tui (1.4 in 2009) and myna (1.0) numbers continued to increase while the number of greenfinches spotted was down (0.7 per garden). These changes could be just annual variations, so more years of data are needed to confirm any long-term trends.

Source: Landcare Research

Fig 16.05

Whale protection in the South Pacific, 2009



Source: Department of Conservation

Conservation organisations

New Zealand has a number of organisations that work with and advise the government of the day on conservation issues.

New Zealand Conservation Authority provides advice to the Minister of Conservation on departmental policy development, including customary Māori use, Treaty of Waitangi issues, and other conservation matters of national importance.

The authority approves conservation management strategies and maintains close involvement in ecosystem protection, including animal and weed pest control, and in developing strategies and plans to protect New Zealand's biodiversity.

Under the National Parks Act 1980, the authority approves national park management plans and investigates new national parks and additions to existing parks.

Conservation boards are statutory bodies that provide advice on conservation areas, policies, activities, and responsibilities of the Department of Conservation. They ensure the community has a voice in conservation management and they represent the long-term public interest in conservation.

QEII National Trust promotes and enables private conservation of open space in New Zealand, including natural features, landscapes, and cultural and historic sites. Landowners voluntarily protect features on their land through the trust's open space covenants or protection agreements. The land remains in private ownership but, once the covenant is registered on the land title, existing and subsequent landowners are bound by the covenant's protection requirements. The trust acts as trustee.

At 30 June 2009, there were 3,161 registered covenants protecting over 90,588 hectares of land throughout New Zealand. The average covenant size is 30 hectares, with the largest being more than 6,500 hectares.

The trust also owns properties, most of which have been gifted or bequeathed, where a range of natural, cultural, scientific, and aesthetic values are protected. In the year ending 30 June 2009, the trust received a base funding grant of \$2.87 million. It also generated funds from its own activities and investments.

New Zealand Historic Places Trust is a non-profit organisation that identifies, records, and preserves New Zealand's historic buildings, archaeological sites, and wāhi tapu (sacred places), and encourages public interest in the nation's past.

Waitangi National Trust Board administers the Waitangi National Reserve, which includes the Treaty House at Waitangi. The reserve was gifted to the nation in 1932 by the Governor-General of New Zealand, Viscount Bledisloe.

New Zealand Game Bird Habitat Trust Board administers and distributes funds derived from the sale of habitat stamps and artwork, to improve game bird habitat and the habitats of other wildlife.

Other boards have been set up to help the government and the Department of Conservation administer specific responsibilities.

Source: Department of Conservation; QEII National Trust

Image removed due to copyright issues

Otago Daily Times

A young sea lion in the dracophyllum and rata forest at Camp Cove on subantarctic Auckland Island.

Forest funds The Nature Heritage Fund and Ngā Whenua Rahui Fund were established as part of New Zealand's indigenous forest policy. Both funds aim to permanently protect conservation-value forest on general and Māori land.

The Nature Heritage Fund works through land being gifted, covenanted, or purchased by the fund. The Ngā Whenua Rahui Fund uses a range of ways to achieve protection, with covenanting being the most suitable. Covenants are more acceptable to iwi (tribes) as they lessen the sense of alienation from the land. Both funds are contestable. Anyone can apply to the Nature Heritage Fund, but Ngā Whenua Rahui is restricted to Māori land-owning interests. Applications for funds are considered by committees that make recommendations to the Minister of Conservation.

Biodiversity Funds is a government initiative to enhance the management of biodiversity on private land, including areas of native vegetation, wetlands, and the habitats of native fish, birds, and other species.

The Biodiversity Advice Fund focuses on information and advice to land managers. It funds projects that inspire landholders or groups to better protect indigenous species on their land – such as workshops, field-days, and publications.

The Biodiversity Condition Fund improves and maintains areas of indigenous vegetation, species, and habitats. The fund seeks to broaden community effort in the management of indigenous biodiversity. Suitable projects include fencing or pest control on private land.

Contributors and related websites

Department of Conservation – www.doc.govt.nz

Environmental Risk Management Authority – www.ermanz.govt.nz

Land Information New Zealand – www.linz.govt.nz

Landcare Research – www.landcareresearch.co.nz

Landcorp Farming Ltd – www.landcorp.co.nz

MAF Biosecurity New Zealand – www.biosecurity.govt.nz

Ministry for the Environment – www.mfe.govt.nz

Ministry of Agriculture and Forestry – www.maf.govt.nz

Ministry of Economic Development – www.med.govt.nz

Ministry of Foreign Affairs and Trade – www.mfat.govt.nz

Ministry of Justice – www.justice.govt.nz

National Institute of Water & Atmospheric Research – www.niwa.co.nz

New Zealand Historic Places Trust – www.historic.org.nz

Ornithological Society of New Zealand – www.osnz.org.nz

QEII National Trust – www.openspace.org.nz

Quotable Value New Zealand – www.qv.co.nz

Royal Forest and Bird Protection Society – www.forestandbird.org.nz

Statistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

Otago Daily Times

Selwyn Grave has been cutting hair in Moray Place, Dunedin for 51 years. In March 1980, the average price for a woman's haircut was \$3.96. Taking inflation into account, this was equivalent to \$17.03 in June 2008. However, the June 2008 average price for a woman's haircut was \$54.64, an increase of 221 percent in real terms. Men's haircuts have also increased, with a man's dry haircut up 91 percent in real terms over the same period.

17 National economy

New Zealand has a mixed economy that operates on free-market principles. It has a sizeable service sector, which complements a highly efficient agricultural sector and related manufacturing industries. The economy is strongly trade oriented, with exports of goods and services accounting for just under one-third of expenditure on gross domestic product (GDP).

From around 1984, the direction of economic policy in New Zealand turned away from government intervention towards removing many forms of government assistance. On the macroeconomic level, policies were aimed at achieving low and stable inflation and a sound fiscal position, while microeconomic reforms were introduced to open the economy to competitive pressures and world prices.

Reforms included: floating the exchange rate, abolishing controls on capital movements, ending industry assistance, removing price controls, deregulation across a number of sectors of the economy, corporatising and privatising state-owned assets, and labour market legislation aimed at facilitating more flexible patterns of wage bargaining. During the last decade there has been fine-tuning of policies, rather than major reform.

After a period of weak growth in the late 1980s, New Zealand's economic performance improved significantly during the 1990s. From mid-1991, the economy grew strongly, with particularly strong output growth from 1993 to 1996. Annual growth in real GDP peaked at 6.4 percent in the March 1994 year.

Growth slowed during 1997 and 1998, due to a slowdown in key Asian trading partner economies, together with a drought that affected large parts of New Zealand in the summers of 1997/98 and 1998/99. Between the September 1997 quarter and the March 1998 quarter, the economy contracted and was technically in a recession, although a mild one.

Following these twin 'shocks', the New Zealand economy experienced its strongest period of growth in three decades, with nine years of largely uninterrupted economic expansion. Over this time, tight labour market conditions prevailed. Despite increases in the labour force participation rate, the unemployment rate fell to very low levels by international standards, from a peak of 7.9 percent in December 1998 quarter to a low of 3.5 percent in the December 2007 quarter.

A combination of good agricultural seasons in 2001 and 2002, relatively high world prices for New Zealand's export commodities, a low exchange rate, and a robust labour market contributed to boost annual GDP growth from 2.4 percent in the year ending 31 March 2001 to 4.8 percent in the March 2003 year. Over the period 2002 to 2004, growth in annual GDP ranged between 3.5–4.9 percent, fuelled by high levels of household spending, especially on housing, business investment, and rising export volumes.

Gross national income

Gross national income (GNI) is defined as gross domestic product (GDP) plus net receipts of wages and salaries, and property income, from overseas.

GNI is a better measure of New Zealanders' income, as it excludes income sent overseas (dividends, interest, and other transfers) and includes similar income earned by New Zealanders from overseas investments.

Although GNI per person can be seen as a more accurate indicator of income or welfare, it is less commonly used than GDP per person.

Since the year ending March 1972 GNI has consistently increased for New Zealand, with the exception of 1993, which recorded a decrease of 4.1 percent.

Over the most recent 10 years the major driver has been the compensation of employees, reflecting wage and employment increases. These increases have in part been offset by an increasing deficit in net investment income from overseas.

Gross national income⁽¹⁾ per person

Country	2006	2007
	US\$	
Luxembourg	57,625	66,590
Norway	52,156	53,861
United States	44,645	46,098
Switzerland	42,081	43,825
Netherlands	38,305	40,278
Ireland	36,256	38,299
Canada	36,548	37,970
Sweden	35,032	37,323
Austria	34,650	36,353
Denmark	35,519	36,139
United Kingdom	34,364	35,842
Belgium	33,829	35,575
Finland	32,916	35,139
Germany	33,414	34,977
Japan	32,948	34,749
Australia ⁽²⁾	32,586	34,090
Iceland	32,574	34,027
France	31,270	32,857
Spain	29,030	30,819
Italy	29,309	30,220
Greece	26,146	27,612
Slovenia	24,572	26,220
Korea	23,114	24,838
New Zealand⁽²⁾	23,128	24,332
Czech Republic	20,778	22,575
Portugal	20,881	21,904
Slovak Republic	17,591	19,523
Estonia	17,534	18,759
Hungary ⁽²⁾	15,949	16,839
Poland	14,474	15,493
Mexico ⁽²⁾	12,238	13,149

(1) Based on current prices and purchasing power parities (common currency). (2) Figures are for 2005 and 2006, respectively.

Source: OECD Factbook 2009

Growth then eased as a result of high oil prices, interest rate increases, and slowing permanent and long-term migration. The economy's output was relatively flat in the second half of 2005 and remained muted throughout much of 2006. GDP growth for the March 2005 and 2006 years was 3.7 percent and 3.2 percent, respectively. This turned around in the March 2007 year, with GDP growth of just 0.9 percent.

New Zealand's external position had progressively deteriorated, with the current account deficit rising from 2.8 percent of GDP in 2001 to a high of 9.0 percent in mid-2006. This rise was the result of a combination of strong import growth, fuelled by buoyant internal demand, and weaker export receipts due to the high level of the New Zealand dollar.

Recent developments

The New Zealand economy contracted in every quarter throughout 2008 and in the March quarter of 2009. Drought conditions were particularly intense over the 2007/08 summer and this contributed to low agricultural production over the first half of 2008, with significant declines in the export volumes of important categories such as dairy. Domestic demand eased after an extended period of growth, as the impact of monetary policy took effect. The impact of the global slowdown played an increasingly significant role in the second half of 2008 and into 2009. Confidence about the global outlook fell as the seriousness of the global financial crisis became apparent.

Growth turned slightly positive in the June 2009 quarter, with real GDP expanding 0.2 percent. There was a similar rise in the following quarter. Nevertheless, the economy contracted 2.1 percent for the year ending 30 September 2009.

A fall in the demand for labour was associated with the weakening in the economy. This contributed to the unemployment rate increasing from 3.5 percent in the December 2007 quarter, to 6.5 percent in the September 2009 quarter.

Rising food and oil prices contributed to annual inflation peaking at 5.1 percent in the September 2008 year. However, price pressures lessened rapidly as the domestic and international economies contracted, so that by September 2009 annual inflation had fallen to 1.7 percent, as tradables (goods and services that are imported or competing in markets with foreign goods and services) prices fell 0.1 percent and non-tradables prices rose 3.0 percent over the year.

Strong commodity prices saw New Zealand's merchandise terms of trade peak in March 2008. However, 15 months later, in June 2009, the terms of trade had declined 13.8 percent as New Zealand-dollar export prices fell 5.7 percent and import prices rose 9.4 percent. Despite the decline in the terms of trade, New Zealand experienced a reduction in its annual current account deficit. The current account deficit narrowed from 8.9 percent of GDP in the year ending December 2008 to 2.9 percent in the year ending December 2009. The investment income deficit narrowed, due to the lower profitability of foreign-owned firms operating in New Zealand and lower debt servicing costs, as well as a significant decline in import volumes as domestic demand slowed.

Fiscal policy

The fiscal responsibility provisions of the Public Finance Act 1989 promote consistent, good-quality fiscal management, enabling the government to make a major contribution to the economic health of the country and be better positioned to provide a range of services on a sustained basis.

The Act requires the Crown's financial reporting to comply with New Zealand generally accepted accounting practice (GAAP) and with the New Zealand equivalent of International Financial Reporting Statements.

The primary fiscal indicators are the operating balance before gains and losses, gross sovereign-issued debt, net debt, and net worth.

The government is required to apply the principles of responsible fiscal management as set out in the Act. These include:

- reducing debt to prudent levels to provide a buffer against future adverse events
- maintaining operating balances once prudent debt levels are reached – the government is to live within its means over time, with some scope for flexibility through the business cycle
- achieving and maintaining levels of net worth to provide a buffer against adverse events
- managing risks facing the Crown
- following policies that are consistent, with a reasonable degree of predictability about the level and stability of future tax rates.

Primary fiscal indicators

The Government uses three primary fiscal indicators to achieve consistent, good quality fiscal management over time, and oversee the economic health of the country.

Operating balance Following a prolonged period of fiscal deficits, New Zealand achieved surpluses in 1993/94. The initial improvement in the operating balance from 1993/94 onwards reflected a growing economy, increasing tax revenues, and firm expense control. Reductions in the operating balance in the late 1990s largely reflected two rounds of tax reductions, and lower economic growth, which reduced tax revenue growth.

Image removed due to copyright issues

The Dominion Post

In June 2008, the official cash rate (OCR) stood at a record high of 8.25 percent, one of the highest rates in the western world. Floating mortgage rates were nearly 11 percent, savers got more than 8 percent on term deposits, and personal loans were readily available. When the 'credit crunch' hit and people struggled to pay the high credit costs, banks and finance companies started folding. This sparked the Reserve Bank into the fastest and biggest series of cuts in the OCR's history; the OCR was reduced to 2.5 percent within a year.

Strong growth through most of the 2000s saw operating balances recovering. However, the recent international financial crisis saw the Government report an operating deficit of \$10.5 billion in 2008/09. Operating deficits are expected to continue. Forecasts for 2009/10, 2010/11, 2011/12, and 2012/13 are \$5.7 billion, \$7.1 billion, \$7.1 billion, and \$5.8 billion, respectively.

Net debt Net core Crown debt fell from 49.0 percent of GDP in 1992/93 to 9.5 percent in 2008/09. Debt repayments were financed from asset sales proceeds (during the 1990s) and operating surpluses. Net debt is forecast to increase to around 31.0 percent of GDP between 2009/10 and 2012/13.

Net worth In 2008/09, net worth was \$99.5 billion. With operating deficits forecast in the near term, net worth is forecast to fall to \$69.9 billion in 2012/13.

Public debt

Before March 1985, the Government was borrowing externally to finance the balance of payments deficit and maintain a fixed exchange rate. Since adopting a freely floating exchange rate, the Government has borrowed externally only to finance foreign-exchange reserves. All other borrowing has been in the domestic market.

Net foreign-currency debt was eliminated in September 1996, largely through proceeds from asset sales and, since 1994, sizeable fiscal surpluses. Proceeds from the 2008/09 domestic bond programme were used to finance maturing domestic term debt and to partly pre-fund future borrowing requirements. Gross sovereign-issued debt amounted to 24.1 percent of GDP in the year ending 30 June 2009.

Monetary policy

Objectives The Reserve Bank of New Zealand Act 1989 requires the Reserve Bank to formulate and implement monetary policy with the objective of achieving and maintaining stability in the general level of prices. The policy targets agreement (PTA) between the Minister of Finance and the Governor of the Reserve Bank specifies these objectives more precisely. Initially, the agreement required the bank to maintain inflation in the range of 0–2 percent in any 12-month period, although this target was changed to 0–3 percent in December 1996.

In addition, the September 2002 PTA stipulated that the Reserve Bank keep inflation within a 1–3 percent range 'on average over the medium term'. The latest PTA was signed in December 2008 and retains the same policy target. Along with the introduction of clause 4(b) in 1999, which stipulates the Reserve Bank should 'seek to avoid unnecessary instability in output, interest rates, and the exchange rate', this change reflects the reality of the Reserve Bank's flexible approach to inflation targeting.

In particular, the medium-term target allows inflation to be briefly above or below the target range. In certain circumstances, this allows a more gradual policy response, but in others a more pre-

Responding to the global economic crisis

Recession and the global economic crisis were the dominant features of the economy in 2009. The Government's response needed to find the right balance between supporting jobs and economic activity, and ensuring that the Government's longer-term finances remain sound.

When the global crisis hit, New Zealand was already in recession and vulnerable to external shocks because of high overseas borrowing. The global financial crisis threatened to cut off credit to New Zealand households and businesses at the same time that almost all the country's trading partners were also falling into recession, and credit markets were paralysed.

The Government's first priority was to support the economy through the recession.

Personal income tax cuts on 1 April 2009 put extra cash in New Zealanders' pockets. The tax cuts were followed by initiatives aimed at those most affected by the economic downturn, including retraining and redundancy support measures for those who lost their jobs.

The Government created a \$480 million tax package to help small businesses manage through the recession and brought forward nearly \$500 million of infrastructure spending.

Welfare entitlements were maintained, to provide certainty in tough economic times.

Many New Zealand exporters were faced with a reduction or complete withdrawal of trade credit insurance; so in February 2009, the New Zealand Export Credit Office introduced short-term trade credit guarantees so that exporters could continue to accept orders in the tightened economic environment. Strong demand meant the facility's contingent liability grew to \$150 million.

The Government established guarantee schemes to help maintain depositors' confidence in the financial sector, and to ensure that the sector had continued access to funding. Approximately \$130 billion of retail deposits were guaranteed by the Crown, along with approximately \$10 billion that banks had borrowed overseas.

The Reserve Bank introduced measures to ensure the availability of liquidity to the financial system, including a considerable easing of monetary policy. The official cash rate was cut from 8.25 percent to 2.5 percent between 24 July 2008 and 30 April 2009, which was one of the largest percentage point decreases in the OECD.

Source: Reserve Bank of New Zealand

emptive approach is still necessary. A more gradual approach may help in situations where the effects of interest rate changes are uncertain, or where sharp changes in interest rates (to bring inflation back quickly within the target range) would be economically disruptive.

A more pre-emptive approach may be helpful in circumstances where the bank is reasonably confident that the economy has passed a turning point in terms of inflation pressures. Then, even if inflation is still comparatively high or low, an early change to policy settings can help the economy return to more normal conditions.

This flexible approach was endorsed by the PTA signed in December 2008, as “playing an important role in supporting the Government’s economic objective of promoting a growing, open, and competitive economy as the best means of delivering permanently higher incomes and living standard for New Zealanders.”

Implementation Under the Act, there is a considerable degree of autonomy for the Reserve Bank in formulating and implementing monetary policy. The bank influences the cost of liquidity by setting the official cash rate (OCR). The bank lends cash overnight at 50 basis points above the OCR. It also pays the OCR on deposits up to a tier (which depends on the size of the depositing bank), then at 100 basis points below the OCR for amounts above the tier. Commercial banks, therefore, have an incentive to trade among themselves at rates between 100 basis points below the OCR and 50 basis points above the OCR. Through its ability to influence the cost of liquidity for financial institutions, the bank has leverage over interest rates faced by households and firms.

There are eight pre-announced dates each year at which the bank reviews the OCR. Four coincide with publication of the bank’s monetary policy statements, which contain projected paths for future conditions and the bank’s policy response.

Both interest rates and the exchange rate can influence New Zealand’s economic activity and inflation. While inflation is the Reserve Bank’s main policy focus, it also considers economic activity when setting the OCR. Other important factors considered include credit conditions, inflation expectations, and external conditions. The bank is generally looking at the inflation outlook up to three years ahead when forming policy response.

Watching the box

Watching television has been a part of New Zealanders’ lives for five decades now. For all but six of those years, the consumers price index (CPI) has tracked changes in the price of buying television sets (TVs), hiring TVs, buying television licences, and subscribing to pay television – reflecting changes in television-related spending patterns of households at the periodic reviews of the CPI basket of goods and services.

New Zealand’s first television broadcast took place in June 1960. Initial broadcasts, limited to a few hours per day on one channel, were to households in Auckland, with transmission spreading to other parts of the country over the following two years.

TVs were added to the CPI basket in 1966 as a result of a review of the goods and services in the basket in 1965. The previous review was in 1955.

In February 1966, the average price of the 23-inch black and white television ‘consolette’ was about £131. Allowing for general inflation, that’s equivalent to about \$4,500 in today’s terms.

Black and white TVs were removed from the CPI basket in 1979. In February 1979, the price of a 26-inch colour TV averaged about \$1,200. While the average price of colour TVs grew from \$840 in 1975 to \$1,200 in 1979, in relative terms they had become slightly more affordable over the four years, as \$840 in 1975 was worth more than \$1,200 in 1979.

New Zealand’s first privately owned channel, TV3, began broadcasting in 1989. The first pay television service, Sky, began broadcasting via an ultra-high frequency network to some regions in May 1990, with other regions being progressively added until 1996. In 1997, Sky introduced a nationwide satellite service. Pay television was added to the CPI basket in 1994 as a result of a review in 1993.

Old-style cathode ray tube (CRT) colour TVs remained in the CPI basket for three decades, with the occasional change in size or style being made at the periodic

basket reviews. Then in 2006, flat-panel TVs were added to the basket, alongside the CRT sets. Both liquid crystal display (LCD) and plasma display flat-panel TVs have been tracked from that time.

As part of the 2008 CPI basket review, CRT TVs were dropped. LCD and plasma display flat-panel TVs remain in the basket, and free-to-air digital television receivers have been added, reflecting the introduction of Freeview.

New Zealanders buy about 300,000 new TVs each year. About three-quarters of these are now LCD TVs. Back in

2004, LCD TVs cost about \$3,500 on average. In 2008, the average price was about \$1,400 and they tended to be bigger and of better quality, with higher picture resolution and contrast ratios.

From the peak in the June 1987 quarter to the June 1998 quarter, TV prices fell by 66 percent. For the following four years, prices tended to be flat or rising, and increased by a total of 11 percent. From the June 2002 quarter to the September 2009 quarter, prices fell by 83 percent.

The figure below shows TV price changes since 1983.

Television sets
Quarterly index
Base: June 2006 quarter (=1000)



Source: Statistics New Zealand

Image removed due to copyright issues

Samsung Electronics New Zealand

3D televisions became available to New Zealanders in 2010. The price of a 40-inch 3D television set was estimated to initially be about the same amount, in today's terms, as a 23-inch black and white television 'consolette' cost in 1966.

Prices

Prices are a key factor in the operation of the New Zealand economy. The prices that consumers pay for goods and services affect their purchasing power – the quantity of goods and services they can buy. They also influence choices consumers make about which goods and services they buy.

Prices are a factor of supply and demand. If a commodity is limited in supply, the price to be paid will increase. Examples of commodities that are often limited in supply include petrol, property, and construction trade services. Similarly, if demand for commodities increases, due, for example, to population growth or higher disposable income, prices will also generally rise. In general, population and incomes do rise, and so demand for goods and services increases. This leads to inflation, or the upward movement of prices over time.

Price indexes provide a measure of inflation by presenting relative changes in prices. They can be constructed for any given commodity or group of commodities.

Consumers price index

The consumers price index (CPI) is the highest profile measure of inflation in the New Zealand economy and is widely used. The CPI measures changes in the prices of goods and services purchased by private New Zealand households. It is the best available measure of how changes in retail prices affect the average household budget.

Statistics New Zealand endeavours to keep the 'basket' of goods and services, for which prices are regularly surveyed, constant in quantity and quality over time, so that only 'pure' price movements are recorded. For example, reductions in the package sizes of grocery food products are shown as price increases in the CPI. The CPI is reviewed regularly to ensure the basket of goods and services is current and relevant.

The CPI was reviewed in 2008, when the basket of representative goods and services was reselected and reweighted to ensure the basket continued to reflect private New Zealand household spending patterns.

Price collection More than 120,000 individual prices are collected each quarter. Prices are gathered by collectors in the field and through Internet, postal, and email surveys. How often prices are collected for each item depends on how volatile the price of that item is. For example, petrol prices can rise and fall quite significantly from week to week, so petrol prices are collected weekly. Prices are collected monthly for food items and quarterly for most other commodities.

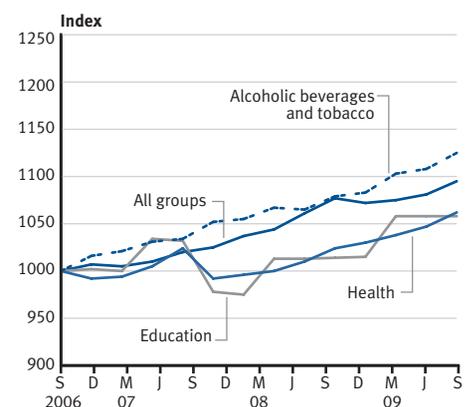
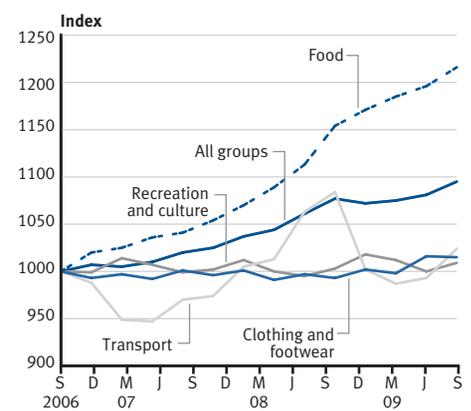
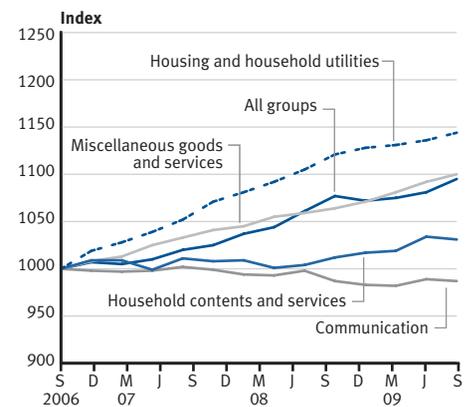
A weighted average of all the prices collected within the quarter is calculated. Index values are constructed for each item, then compared against the previous period's index value. The change in the index value reflects the change in the average price of the items.

Expenditure weights Each item in the CPI is given an expenditure weight, reflecting the percentage of total spending (excluding interest payments) by private New Zealand households on that item. For example, the expenditure weight given to petrol is 5.47 percent, meaning that about \$5.47 of every \$100 spent by households is spent on petrol. By comparison, the expenditure

Figure 17.01

Consumers price index groups

Base: June 2006 quarter (=1000)
Quarterly



Source: Statistics New Zealand

Table 17.01

Consumers price index		
Expenditure weights ⁽¹⁾		
Quarter ending 30 June		
Group	2006	2008
Housing and household utilities	20.02	22.75
Food	17.38	17.83
Transport	17.24	16.18
Recreation and culture	10.21	9.54
Alcoholic beverages and tobacco	7.20	6.76
Household contents and services	5.49	5.26
Health	5.23	5.09
Clothing and footwear	4.75	4.48
Communication	3.26	3.21
Education	2.08	1.78
Miscellaneous goods and services	7.13	7.12
All groups	100.0	100.0

(1) Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

weight given to milk is 0.84 percent, meaning that about \$0.84 of every \$100 is spent on milk. A change in the average price of petrol will have a greater impact on households than the same percentage change in the price of milk, and this is reflected in the CPI.

Expenditure weights are reviewed about every three years, to ensure that changes in consumer spending and consumption behaviours are accurately reflected in the CPI basket.

At this time, the basket of goods and services is also reviewed, to ensure that new items are added, or superseded items removed. For example, new items, such as in-car satellite navigation, free-to-air television digital receivers, and digital downloads, are included in the CPI basket when they become available to consumers. On the other hand, items no longer purchased in significant quantities by private households, such as video cassette tapes, CRT televisions, and photographic film, are removed. Item expenditure weights are derived from the Household Economic Survey (HES), which is conducted every three years.

The 2008 CPI review saw items reweighted, based on HES information, which was supplemented by market research information.

Table 17.01 shows the June quarter expenditure weights assigned to the CPI's 11 groups, as derived from the HES.

Uses of the consumers price index

The main uses of the CPI include the setting of monetary policy, indexation of monetary payments, and as a deflator of other economic series.

Monetary policy Maintaining a stable general level of prices is seen as fundamental to a well-performing economy. The government aims to avoid large increases in the overall level of prices, because this causes erosion in the value of money, and consequently in consumers' purchasing power.

In the context of the CPI, this means maintaining inflation within a defined range. The Reserve Bank of New Zealand has a formal agreement with the Government that it will use monetary policy to maintain inflation between 1–3 percent over the medium term. The bank uses the official cash rate (OCR) mechanism to achieve this outcome.

The OCR is the benchmark interest rate from which all borrowing and savings interest rates in New Zealand are set. By adjusting the OCR up or down, the Reserve Bank influences the cost to consumers of borrowing money for goods and services. The higher the OCR, the greater is the cost of borrowing money. An increased cost results in a reduction in consumer demand for goods and services, lessening inflationary pressures. Conversely, if inflation pressures are low, the bank can lower the OCR, reducing the cost to consumers of borrowing money. This has an upward influence on demand and inflation. The bank reviews the OCR approximately every six weeks to ensure that the cost of consumer borrowing is having the desired influence on demand and inflation.

Between July 2008 and April 2009 the bank made seven downward adjustments to the OCR. These took the OCR from its historic peak of 8.25 percent to its all-time low of 2.50 percent. The seven decreases were made during the difficult economic conditions arising from the global financial crisis.

Indexation of monetary payments There are a number of situations where indexes are used to adjust payments. The following indexation arrangements can apply to both the public and private sectors.

- Adjusting for changes in the cost of living – Many public sector arrangements are based on ensuring people have a sufficient level of income to enable them to continue to buy a range of goods and services. In the context of income support (benefits), much depends on whether the objective is to maintain the spending power of a benefit, or to match changes in the average wage. In the first case, the CPI is used to adjust payments, while in the latter it is more useful to use a measure of an average wage.
- Compensating businesses for costs beyond their control – Commonly, in business contracts, service providers want to be compensated for changes in input costs that they have little or no control over. In determining which index to use to adjust a contract, firms typically use either an index that is closely related to the cost concerned, or they use a more general measure that the parties agree gives a picture of relevant price pressures.
- Ensuring that regular payments maintain their value – A range of regular payments, for example housing rents, need to be adjusted from time to time. The CPI is in some cases used to make these adjustments.

Deflator Many economic series, such as the value of retail sales, can be deflated using relevant indexes from the CPI to produce 'constant' price series. The purpose of a constant price series is to compare values between different periods, without the effect of price changes. For example, if the total value of retail sales increased 10.6 percent between the June 2007 and June 2009 quarters, some of this increase could be due to price changes. If, after deflation, the total value of retail sales increased 7.3 percent over this same period, then this is the change in the volume of retail sales. That is, 7.3 percent of the increase is due to changes in the number of sales transactions and the remainder is due to price changes. Other economic series that are deflated using the CPI include components of gross domestic product (GDP), such as household consumption expenditure.

Organisation of the consumers price index

The classification system used for the CPI and Household Economic Survey is based on the United Nations Classification of Individual Consumption by Purpose, which allows for cross-country comparisons.

The CPI is divided into 11 groups of items, each weighted according to the expenditure on those items by private New Zealand households. Each group is made up of one or more subgroups which, in turn, are made up of classes, sections, subsections and, finally, individually priced items. The expenditure weight assigned to each group is equivalent to the sum of the expenditure weights for all the items in that group.

- **Housing and household utilities** – The largest group in the CPI, the housing group includes rents, the cost of purchasing and constructing new dwellings, and home maintenance costs. It also includes household energy costs. From its peak in the June 2004 quarter of 7.1 percent, the annual change in the group's prices plateaued (consistently at or above 4.9 percent) until it fell to 4.7 percent for the year to September 2008. The annual rate of increase has been decreasing since March 2008, and has been under 4.0 percent since March 2009. The weight of this group rose from 20.02 percent in 2006 to 22.75 percent in 2008.
- **Food** – All items within the food group are priced at least monthly. Fresh fruit and vegetables are priced weekly. Items are mostly available in supermarkets, and grocery and convenience stores, and include: fruit, vegetables, meat, fish, poultry, grocery foods, and non-alcoholic drinks. Prices for restaurant meals and ready-to-eat foods are also collected. Food is the second-largest group in the CPI. Between the December 2002 and the June 2006 quarters, food prices were relatively flat, rising an average of only 1.2 percent a year. The annual change has since remained above 2.0 percent, with a sustained period of increases from the September 2007 quarter through to a peak of 9.5 percent for the year to September 2008. The annual rate of increase has fallen since this point; however, it still remains above 5.0 percent.
- **Transport** – This group includes public and private transportation costs, including taxi, bus, train, ferry and airfares, the purchase of vehicles, and motor vehicle running and maintenance costs. Transport prices – particularly petrol prices – have been volatile historically. Significant increases were recorded for the years to June 2006 and September 2008, where the annual change rose above 10.0 percent. Since the December 2008 quarter, the annual change in transport prices has been consistently negative, reaching -6.6 percent for the year to June 2009, reflecting lower prices for petrol and international air transport.
- **Recreation and culture** – This group includes audio-visual and computing equipment, stationery, books, magazines and newspapers, leisure and recreation equipment, supplies and services, and accommodation services. Package holidays were introduced into the CPI basket of goods and services in the September 2006 quarter. Before this, the expenditure weight of international package holidays was represented by international air travel, which was included within the transport group. The annual percentage increase in recreation and culture prices has averaged 0.8 percent since the June 2000 quarter. The audio-visual and computing equipment subgroup, however, consistently displays decreases in prices, reaching a low of -17.2 percent for the year to September 2008. Since then the annual decrease has tapered off, but has remained at least 8.0 percent.
- **Alcoholic beverages and tobacco** – This group includes cigarettes, tobacco, beer, spirits, liqueurs, and wine. The group's prices are influenced by the annual indexation of alcohol excise, effective from 1 July each year, and by the annual adjustment of tobacco excise, effective from 1 January each year. Since the September 2006 quarter, the annual increase in the group's prices has remained above 2.5 percent, reaching 4.3 percent for the year to September 2009.
- **Household contents and services** – This group includes household appliances, textiles, furniture and furnishings, household supplies and services, tools and equipment for house and garden, and glassware, tableware, and household utensils. Between the June 2003 and December 2004 quarters, annual decreases in prices were shown. Since then, prices have risen and fallen, resulting in an average of 0.8 percent a year for the group. The annual change in prices rose in 2009 to increases of at least 1.8 percent.
- **Health** – The health group includes medical products, appliances and equipment, and out-patient and hospital services. Between the March 2004 and December 2004 quarters and September 2005 and June 2006 quarters, the annual increase in the health group's prices remained above 4.0 percent. The September 2007 quarter saw a sharp drop in the health group's prices, with lower prices for pharmaceutical products and general practitioner fees due to increased government subsidies. Since the September 2008 quarter, the annual increase in prices has been above 3.2 percent.
- **Clothing and footwear** – Overall, this group has displayed little movement since the December 2002 quarter. From the June 2003 quarter until the June 2005 quarter, clothing and footwear prices consistently decreased on an annual basis. Since then, prices have moved slightly, both positively and negatively, until more recently when prices have exhibited an upward trend and were 2.2 percent higher for the year to the September 2009 quarter.
- **Communication** – The communication group includes postal services, but consists largely of telecommunication services and equipment, such as mobile phones and Internet charges. Between the March 2004 and December 2005 quarters, the communication group's annual

Reserve Bank of New Zealand turns 75

In August 2009, the Reserve Bank of New Zealand marked its 75th year of operations, three-quarters of a century that span some of New Zealand's most tumultuous decades.

The Reserve Bank was founded in response to developments in the early 20th century. Britain was eager for its dominions to establish their own central banks, so they could set their monetary policies to suit specific local conditions. However, in New Zealand the wheels only began turning with vigour after a 1931 visit by British economic expert Otto Niemeyer, who recommended a central bank to the government of Prime Minister George Forbes.

The Reserve Bank opened on 1 August 1934 with little fanfare. "We were launched last Wednesday," founding Governor Leslie Lefeaux wrote to Niemeyer. "But no flags; no trumpets, and no breaking of champagne bottles on the bow. We merely glided gently and noiselessly down the slipway. I felt in the circumstances that that was the best course."

However, the bank had an initial public impact in 1934, when all the old trading bank notes were replaced by Reserve Bank tender. The bank has supplied New Zealanders with their currency ever since, extending that role to coins in 1989.

Today's Governor Alan Bollard notes that from this almost imperceptible beginning, the functions of the Reserve Bank have taken on significant growth and complexity in the past 75 years. "Although stabilisation is our pressing need at present, we have not lost sight of the need to continue with enhancements to our role as New Zealand's central bank," Dr Bollard said.

The present day role of the bank is defined by the Reserve Bank Act 1989, which identifies a wide range of functions and powers that have made it one of the few 'full service' central banks in the world able to bring a full range of policy tools to bear across normal central banking roles. These include implementing monetary policy, financial system oversight, financial market activities, clearing and settlement services, banking system liquidity management and oversight – and, as always, providing currency to the public.

More about the history of the Reserve Bank of New Zealand can be found online (www.rbnz.co.nz).

Source: Reserve Bank of New Zealand

Burgers, mackerel, and PPPs

The 'Big Mac index' produced by *The Economist* is one of the world's best known economic indicators, even though it has its origins in a semi-humorous exercise that uses the relative prices of Big Macs around the world to value exchange rates – aptly named 'Burgernomics'.

Burgernomics is based on the theory of purchasing power parity (PPP), the notion that a dollar should buy the same amount in all countries.

The Burgernomics 'basket' is a McDonald's Big Mac, which is produced in about 120 countries. The Big Mac PPP is the exchange rate that would mean hamburgers cost the same in the United States as abroad. Comparing actual exchange rates with PPPs indicates whether a currency is under- or over-valued.

Something similar has been suggested for the Pacific by the Secretariat of the Pacific Community. That is, the collection of prices from around the region for tinned mackerel for the 'Pac Mack index'. Prices reveal some big differences, with the three French territories coming in at four to five times the price compared with Samoa, which had the lowest price in the region.

While the Big Mac and Pac Mack indexes simply illustrate the theory of PPPs, a wider and more robust programme of price comparison is undertaken by national statistical organisations around the world, and results are used in cross-country comparisons of well-being and poverty analysis.

Aggregate gross domestic product (GDP) and GDP per capita are frequently used to assess a country's economic size, and the well-being of its residents. To make meaningful inter-country GDP comparisons, prices must first be converted into a common currency, and so a robust method of comparison and conversion of prices must be used. This is where PPPs come in. PPPs also assist international markets by identifying different countries' relative productivity and investment potential.

New Zealand, through Statistics New Zealand, is one of 55 countries participating in the Eurostat-Organisation for Economic Co-operation and Development (OECD) PPP programme. This involves collecting prices for around 3,000 goods and services – from a beer at a local pub to the drill used on a construction site, building a road to accommodation costs – which are used for international comparisons.

The countries participating in the Eurostat-OECD PPP programme are also part of the wider International Comparison Program (ICP). The ICP is a worldwide statistical undertaking, overseen by the World Bank, to collect comparative price data and estimate PPPs for about 150 countries.

New Zealand was one of 13 invited countries that participated in the ICP Friends of the Chair (FOC) working group. The group was commissioned by the United Nations Statistical Commission, alongside representatives from the World Bank, International Monetary Fund, OECD, and Eurostat. The FOC supports the continued production and development of PPP measures and, following the FOC evaluation of the ICP, the United Nations Statistical Commission gave the final go ahead for the 2011 round at its 40th session in February 2009.

Source: Statistics New Zealand

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Papakura Courier

Contractors stand outside an unfinished property near Papakura after the building development company went into liquidation. The Department of Building and Housing expects New Zealand's residential construction market to recover, projecting that up to 20,000 new houses will be built in 2010, which still falls short of 2005 to 2007 levels.

change in prices was below zero. From the March 2006 quarter until the September 2007 quarter, the annual change was positive. Since then, the annual change in prices has been negative, except for the year to September 2009 when it recorded no change.

- Education – The education group includes early childhood, primary, secondary, tertiary, and other post-school education. This is the smallest group within the CPI. The weight for the education group fell from 2.1 percent in 2006 to 1.8 percent in 2008. With the exception of the period between the September 2007 and June 2008 quarters, which was underpinned by changes in government funding through the introduction of free hours of early childhood education for three- and four-year-olds, the annual change in prices has been positive since the June 1993 quarter. For the year to September 2009 the annual increase in education prices was 4.3 percent.
- Miscellaneous goods and services – This group includes personal care and effects, insurance, direct credit charges, and various professional services. Since the March 2000 quarter, with the exception of the December 2004 quarter, price changes for this group have been positive. The annual percentage change in the group's prices was 3.4 percent for the year to September 2009.

Retail prices of selected items

Table 17.02 shows weighted average retail prices of goods and services in the June quarters (or months) 2007–09. These weighted average prices of selected items are used in calculating the CPI, and provide reliable indications of movements in price levels when compared with average prices for earlier periods. The quantity and price of any good or service differs from shop to shop, and over time, so these prices are not designed to give a statistically accurate measure of absolute transaction prices.

International comparisons

Inflation, as measured by each country's CPI, rose 0.9 percent over the whole of the Organisation for Economic Co-operation and Development (OECD) in the year to March 2009.

Figure 17.02 compares New Zealand's CPI with that of its major trading partners: Australia, the United States, the United Kingdom, and Japan. For the period March 2000 to March 2009, the increase in New Zealand's CPI (23.7 percent) was marginally behind that of the OECD as a

whole (26.7 percent). In contrast, Japan experienced minimal price movement over this period (-3.5 percent), with most of the fall occurring in 2001, and a sustained flat price level from March 2002 until March 2008.

The sharp decline in the CPI figures for December 2008 and March 2009 highlights the effect of the global financial crisis on the respective economies, following a period of strong growth in food and fuel prices. New Zealand, Australia, and the United Kingdom did not fall to the same extent that the United States (-5.1 percent) or Japan (-2.4 percent) did.

Table 17.02

Retail prices of selected items ⁽¹⁾		2007	2008	2009
June quarter or month ⁽²⁾ 2007-09				
Item	Unit	\$		
Bananas	1kg	2.29	2.37	2.92
Apples	1kg	1.89	2.28	2.44
Potatoes	1kg	1.22	1.54	1.43
Beef – mince	1kg	9.24	9.95	11.69
Lamb – chops	1kg	10.21	10.79	12.94
Bread – white sliced loaf ⁽³⁾	700g	1.22	1.39	1.80
Milk – standard homogenised ⁽³⁾	2 litres	2.60	3.23	3.23
Cheese – mild cheddar ⁽³⁾ (supermarket only)	1kg	6.60	10.68	8.92
Fish and chips	1 fish/chips	4.62	4.96	5.33
Beer – bottles (supermarket & liquor store)	1 dozen	18.25	17.80	19.03
Beer – glass (licensed premises)	400ml	4.26	4.47	4.78
Whisky (liquor store)	1000ml	39.09	40.08	41.49
Socks – men's (clothing store & department store)	pair	9.56	10.05	10.37
Panty-hose – 15 denier, average size (supermarket)	pair	4.84	4.87	5.37
Dry cleaning – men's 2-piece, woollen suit	each	21.96	22.91	24.03
Spouting/guttering plastic	per 3m	29.57	28.74	31.91
Concrete blocks – 390 mm x 190 mm x 190 mm	per 100	318.89	335.11	355.28
House paint – acrylic, white	10 litres	146.07	146.54	153.00
Clothes washing powder – concentrate (supermarket)	1kg	4.39	4.30	4.20
General practitioner – consultation, adult without community services card	each	37.18	29.26	30.18
Petrol – 91 octane	10 litres	15.38	19.37	16.04
Diesel	10 litres	9.93	16.18	9.98
Warrant of fitness – private car	each	42.42	43.02	44.38
Postage – standard, medium-size envelope	each	0.47	0.50	0.50
Compact disc – current top 10 album (record store & department store)	each	27.91	27.17	26.35
DVD hire – overnight Friday, new release	1 movie	7.37	7.30	6.93
Hairdressing – women's, shampoo, cut, and blow wave	each	50.78	54.64	56.09
Bathroom soap – cake, 100g (supermarket)	pk of 4	3.33	3.59	4.06
Shampoo (supermarket)	400ml	6.40	6.44	6.47
Toilet paper (supermarket)	4 rolls	2.75	2.72	3.07

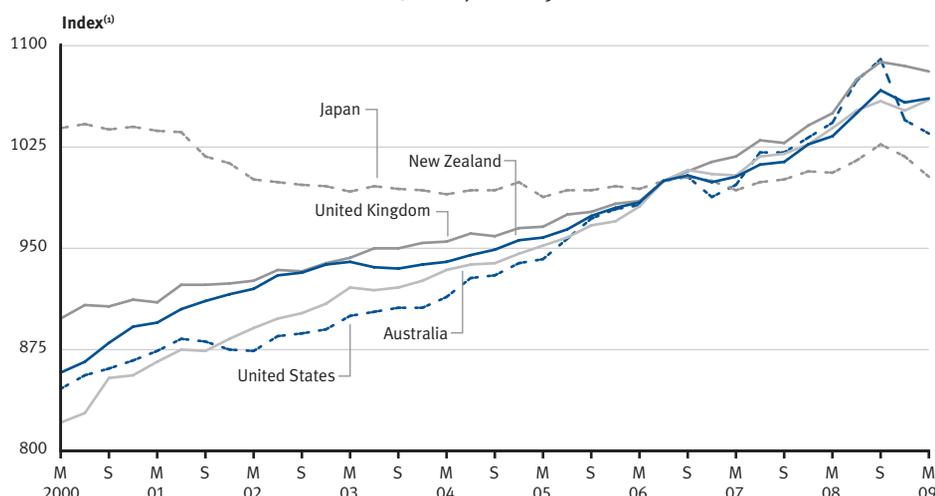
(1) Calculated by applying index movements to weighted average prices for the June 2006 quarter or month. These are not statistically accurate measures of average transaction price levels, but do provide a reliable indicator of percentage changes in prices. (2) Items within the food group are for the June month. That is, items from bananas to fish and chips, inclusive. (3) Based on the cheapest available brand or variety in each retail outlet at the time of price collection.

Source: Statistics New Zealand

Figure 17.02

Consumers price index international comparisons

Excluding housing and credit services
Quarterly 2000-09



(1) Base: June 2006 quarter (=1000).

Source: Statistics New Zealand

Figure 17.03



(i) Calculated from June quarter index value.

Source: Statistics New Zealand

Producers price index

The producers price index (PPI) is a series of quarterly economic indicators designed to measure price changes in the production sector of the economy. The consumers price index (CPI), in comparison, measures price changes in the household sector of the economy.

The PPI has two types of indexes: outputs and inputs. 'Outputs' measures changes in prices received by producers for the products and services they provide, while 'inputs' measures changes in the costs of production (excluding capital and labour costs).

Uses of the PPI The PPI can be used in the analysis of inflationary trends and in economic forecasting. It is a key input for the calculation of the national accounts and gross domestic product. It is used for deflation in the national accounts, such as business investment, and for measuring changes in production at a constant price. The indexes that form the PPI are also widely used to determine changes allowable under escalation clauses in commercial contracts.

Influences on the PPI In recent years, key influences on the PPI have been changes in dairy, wholesale fuel, coal, and electricity prices.

Producers' output prices rose 9.8 percent in the year to the September 2008 quarter, but fell 2.1 percent in the year to the September 2009 quarter. Input prices rose 13.6 percent in the year to the September 2008 quarter, but fell 5.8 percent in the year to the September 2009 quarter.

The upward trend in commodity output statistics that was seen up until late 2008, was in contrast to the fall in prices that began in early 2009. This fall in the PPI initially resulted in lower annual increases, and then an annual fall by the September 2009 quarter.

Several commodities significantly influenced these figures, including:

- Electricity – Prices for electricity generation and supply fell 11.2 percent in the year to the September 2009 quarter, following a rise of 22.7 percent in the year to the September 2008 quarter. Electricity prices were highly influenced by weather conditions, with higher lake levels in 2009 than in 2008.
- Wholesale trade – In the year to the September 2009 quarter, wholesale trade output prices fell 9.2 percent, following a 17.3 percent rise in the year to the September 2008 quarter. Due to higher wholesale prices, wholesale trade prices peaked in the September 2008 quarter, but have subsequently declined.
- Dairy product manufacturing – Prices for dairy product manufacturing rose significantly in the year to the September 2008 quarter (up 27.0 percent), but fell 35.6 percent in the year to the September 2009 quarter. The recent fall was driven by falling prices for exported dairy products following a period of unusually high export prices. This was the largest annual fall recorded since the series began in the June 1994 quarter.
- Dairy cattle farming – Dairy cattle farming prices rose 25.6 percent in the year to the September 2008 quarter, on the back of higher farm-gate milk prices. However, farm-gate milk prices have subsequently been falling. This resulted in a 26.1 percent fall in dairy cattle farming prices in the year to the September 2009 quarter.

Table 17.03

Principal aggregates 2000–09				
Year ending 31 March				
	Current price gross domestic product	Gross national income ⁽¹⁾	National disposable income ⁽²⁾	GDP in chain volume series ⁽³⁾
Year	\$(million)			
2000	110,902	104,297	89,248	105,212
2001	117,165	109,598	93,625	107,691
2002	125,882	118,799	101,794	111,470
2003	132,425	125,379	107,597	116,913
2004	141,702	134,343	115,678	121,931
2005	151,701	142,317	122,337	126,394
2006	160,273	149,209	127,444	130,383
2007	168,328	156,423	133,642	131,501
2008	181,259	167,916	143,496	135,367
2009	184,802	171,767	145,676	133,485

(1) GNI = GDP plus net investment income from the rest of the world. (2) NDI = GNI less consumption of fixed capital plus net current transfers from the rest of the world. (3) Chain-volume series expressed in 1995/96 prices.

Source: Statistics New Zealand

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The Dominion Post

Fonterra chief executive Andrew Ferrier opens a new hi-tech milking shed in the Wairarapa. New Zealand dairy prices reached record highs in 2008, but then began to decline as a result of the downturn in demand caused by the global financial crisis and recession. In 2010, dairy prices rose again.

National accounts

Numerous transactions take place within the New Zealand economy every day. Businesses and individuals buy and sell goods and services, the government collects taxes and pays beneficiaries, and individuals are paid for their labour and buy groceries or pay the rent. Measuring all these transactions is a complex task, but it is essential to understanding how the economy operates.

In New Zealand, as in most other countries, many transactions are classified, measured, and recorded in the national accounts, which provide a convenient summary of key economic and financial flows. The national accounts also provide a framework in which to analyse and compare important economic variables, such as household consumption and savings. The national accounts capture all types of transactions, for the economy as a whole, or for certain groups or sectors within it, such as business, government, or households.

Gross domestic product (GDP) represents income earned from production in New Zealand, whether it is carried out by New Zealanders or foreign firms operating within New Zealand. GDP does not measure the final incomes that New Zealand residents earn.

Gross national income is a better measure of New Zealanders' income, as it excludes income sent abroad (dividends, interest, and other transfers) and includes similar income earned by New Zealanders from overseas investments. Further adjustments to take account of depreciation and transfers from the rest of the world give an even better measure of income (national disposable income).

In the year ending 31 March 2009, GDP in current prices rose 2.0 percent. When the effects of inflation are removed, there was a decrease of 1.4 percent in GDP in volume terms for the March 2009 year, compared with an increase of 2.9 percent in the March 2008 year. The 2009 decrease was the first fall in annual GDP in volume terms since the 1.3 percent fall in the year ending March 1992. Since then, New Zealand had enjoyed 16 largely uninterrupted years of economic growth.

The main contributors to the decline during the year ending March 2009 were the goods producing industries (down 5.5 percent). Measured in volume terms, construction (down 8.8 percent), manufacturing (down 5.3 percent), and wholesale trade (down 5.2 percent) recorded large decreases for the March 2009 year. Although the real output of the service industries was up slightly (0.7 percent), within this group significant falls were recorded in the wholesale and retail industries, down 5.2 percent and 3.5 percent, respectively, reflecting the drop in domestic demand during the year.

Consolidated accounts of the nation

The consolidated accounts of the nation consist of four accounts:

Gross domestic product and expenditure account GDP is a measure of the value added from all economic activity in New Zealand. The account shows the various forms of income generated by production, and the categories of final expenditure on available goods and services.

National income and outlay account National disposable income is the value of income available to New Zealanders, and consists mainly of incomes generated in New Zealand. Adjustments are made for income paid to, and received from, the rest of the world. The account also shows the part of disposable income spent by New Zealanders on current consumption, and the portion of income that was saved.

Table 17.04

Gross domestic product and expenditure account					
Year ending 31 March					
Item	2005	2006	2007	2008	2009
	\$ (million)				
Compensation of employees	64,483	69,394	73,453	77,567	80,669
Gross operating surplus	68,510	71,077	73,927	81,658	81,865
Taxes on production and imports	19,197	20,384	21,544	22,634	23,167
Less subsidies	490	581	596	599	899
Gross domestic product	151,701	160,273	168,328	181,259	184,802
Final consumption expenditure					
Private households	87,282	93,359	98,446	103,298	106,073
Private non-profit organisations serving households	2,015	2,140	2,112	2,217	2,328
Central government	23,268	25,370	27,521	29,887	32,559
Local government	3,096	3,332	3,584	3,962	4,238
Change in inventories	1,644	1,100	68	1,408	909
Gross fixed capital formation	35,425	38,556	38,993	41,667	40,083
Gross national expenditure	152,729	163,856	170,724	182,439	186,190
Exports of goods and services	43,504	43,932	48,276	51,536	56,916
Less imports of goods and services	44,533	47,515	50,671	53,148	59,370
Balance on external goods and services	-1,029	-3,583	-2,396	-1,612	-2,454
Expenditure on gross domestic product	151,700	160,273	168,328	180,827	183,737
Statistical discrepancy ⁽¹⁾	0	0	0	432	1,065

(1) Production and expenditure measures of GDP are estimated independently, from diverse data sources. Combining survey and other measurements, and timing errors in various components results in a difference between the estimates – the statistical discrepancy. This discrepancy does not occur after the two measures have been reconciled.

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Are we saving enough?

New Zealand's household saving rate has been declining in the past 20 years. The rate is consistently one of the lowest in the Organisation for Economic Co-operation and Development (OECD), and has fallen quite rapidly in the last seven years. This has led to debate on the adequacy of saving, especially in the context of retirement income policy.

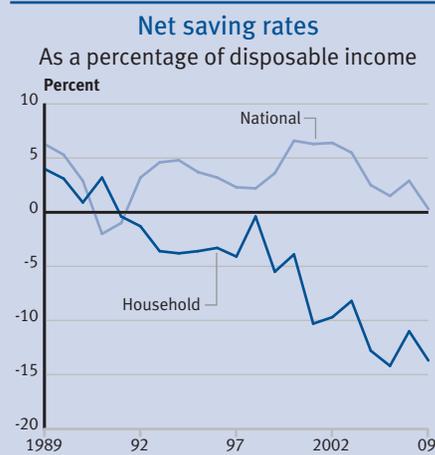
Given the critical role investment plays in economic development, discussions on growth and economic welfare have also focused on the declining saving levels.

Saving is a 'flow' concept and is measured as a residual, being the difference between some measure of income less some measure of expenditure or consumption. Saving is measured after deducting the consumption of fixed capital, because the cost of using up capital assets should be deducted from both income and saving.

In the national accounts, national saving (S) is defined as national disposable income (NDI) less private and government consumption expenditure (C): $S = NDI - C$

At the national level, saving is a key source of investment funds. Net investment (capital accumulation less consumption of fixed capital) must be funded from either national saving or from overseas

borrowing (or foreign saving). New Zealand's national saving rate rose after 2001, on the back of increasing government surpluses, but it has fallen since 2004, largely due to a continuing fall in household saving. As a result, more of New Zealand's investment has been financed by borrowing overseas, as reflected in a higher current account deficit.



Saving can also be broken down by the institutional sectors in the economy, such as financial institutions, government, and households. At the household level, saving is defined as disposable income less household consumption expenditure. Household saving as a percentage of disposable income has declined over the last 20 years, and since 1993 has been negative. After 2003, the saving rate has fallen markedly.

In recent years household net wealth has increased significantly, due largely to the rapid rise in house prices. This has led to an apparently paradoxical situation of household wealth increasing, despite the saving rate being negative and declining. Wealth is a 'stock' measure, and each year it changes, due to additions (deductions) from annual saving (dis-saving) and also any revaluations of existing assets. Recently, the capital gain households have made on their properties has completely swamped any wealth decline that may have come from falling saving, resulting in the overall net wealth of households increasing.

In discussing future income adequacy, it is important to distinguish between saving – the current flow, and savings – the wealth stock measure. Although closely related, their effect on the well-being of different household groups may be quite different.

Source: Statistics New Zealand

National capital account The national capital account records capital expenditure. The difference between the accumulation of capital assets and the sources of funds (mainly savings and the income set aside for the replacement of capital equipment) gives a residual to be borrowed from (or lent to) the rest of the world.

External account The external account brings together all transactions with the rest of the world. The residual 'balance on the external current account', when adjusted for net capital transfers, records New Zealand's net lending (or borrowing) to the rest of the world.

The two key components of national income – employment income and business profits – both increased in the year ending 31 March 2009. The largest contributor to the increase was compensation of employees. Gross operating surplus (a proxy for gross business profits) increased 0.2 percent in current price terms, the lowest rise since the year ending 31 March 1975, when it decreased 0.5 percent.

Table 17.05

National income and outlay account					
Year ending 31 March					
Item	2005	2006	2007	2008	2009
	\$(million)				
Use of income					
Final consumption expenditure					
Private households	87,282	93,359	98,446	103,298	106,073
Private non-profit organisations serving households	2,015	2,140	2,112	2,217	2,328
Central government	23,268	25,370	27,521	29,887	32,559
Local government	3,096	3,332	3,584	3,962	4,238
Total final consumption expenditure	115,660	124,200	131,662	139,364	145,198
Saving	6,677	3,244	1,980	4,132	477
Use of national disposable income	122,337	127,444	133,642	143,496	145,676
Income					
Compensation of employees	64,483	69,394	73,453	77,567	80,669
Compensation of employees from the rest of the world (net)	0	0	0	0	0
Gross operating surplus	68,510	71,077	73,927	81,658	81,865
Taxes on production and imports	19,197	20,384	21,544	22,634	23,167
Less subsidies	490	581	596	599	899
Investment income from the rest of the world (net)	-9,383	-11,064	-11,906	-13,344	-13,035
Gross national income	142,317	149,209	156,423	167,916	171,767
Current transfers from the rest of the world (net)	292	144	774	828	884
Gross national disposable income	142,610	149,353	157,196	168,744	172,651
Less consumption of fixed capital	20,272	21,909	23,554	25,248	26,976
National disposable income	122,337	127,444	133,642	143,496	145,676

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Table 17.06

National capital account					
Year ending 31 March					
Item	2005	2006	2007	2008	2009
	\$(million)				
Change in inventories	1,644	1,100	68	1,408	909
Gross fixed capital formation					
Private	28,210	29,373	30,184	33,229	31,223
Central government ⁽¹⁾	4,383	5,676	5,328	5,182	5,453
Local government ⁽¹⁾	2,832	3,507	3,481	3,256	3,406
Purchase of non-produced non-financial assets from the rest of the world (net)	-6	2	1	-2	-161
Net lending to the rest of the world	-10,012	-14,830	-13,986	14,899	-15,184
Capital accumulation	27,052	24,828	25,077	28,175	25,648
Saving	6,677	3,244	1,980	4,132	477
Consumption of fixed capital	20,272	21,909	23,554	25,248	26,976
Capital transfers from the rest of the world (net)	102	-325	-457	-773	-740
Finance of capital accumulation	27,052	24,828	25,077	28,606	26,713
Statistical discrepancy ⁽²⁾	0	0	0	-432	-1,065

(1) Includes all government-owned producer enterprises. (2) Production and expenditure measures of GDP are estimated independently, from diverse data sources. Combining survey and other measurements, and timing errors in various components results in a difference between the estimates – the statistical discrepancy. This discrepancy does not occur after the two measures have been reconciled.

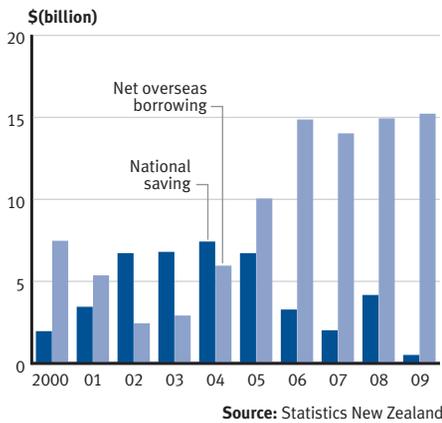
Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Figure 17.04

National saving and net overseas borrowing

Year ending 31 March



National disposable income, which measures the income available to New Zealand residents for current consumption or saving, rose 1.5 percent in the year ending 31 March 2009. This followed a 7.4 percent rise in the March 2008 year. The March 2009 year increase is the lowest since 1992 when it decreased 4.6 percent. Final consumption expenditure (private and government) increased 4.2 percent, while national saving decreased from \$4.1 billion for the year ending 31 March 2008, to \$477 million for the year ending 31 March 2009.

Investment in fixed assets, measured in current prices, declined 3.8 percent in the year ending 31 March 2009. Decreased investment in residential buildings and transport equipment offset increases in all other asset types. The fall in residential building investment was quite marked, declining 20.8 percent.

Even though there was a fall in investment, the decline in the domestic source of funds to finance this investment – mainly savings and consumption of fixed capital – was greater. This resulted in a further increase in borrowing from the rest of the world. Consumption of fixed capital increased from \$25.2 billion in the year ending 31 March 2008 to \$27.0 billion in the year ending 31 March 2009. But this was more than offset by the fall in savings (down \$3.7 billion). Net borrowing from the rest of the world increased 1.9 percent to \$15.2 billion in the year ending 31 March 2009. Net borrowing from the rest of the world as a percent of GDP remained unchanged at 8.2 percent.

The deficit balance on the external current account was \$14.6 billion (7.9 percent of GDP) for the year ending March 2009, up from \$14.1 billion (7.8 percent of GDP) for the year ending March 2008. The deficit has increased steadily (with a minor reduction in 2007) since 2004, due mainly to a lift in imports and deterioration in the investment income balance. The economic contraction in the March 2009 year saw a slight improvement in the investment income deficit as domestic business profits fell, but this was more than offset by a further lift in the goods and services deficit. Even though the economic downturn has resulted in a fall in merchandise import volumes, the falling terms of trade and a jump in the imports of services further widened the deficit.

The balance on services in the year ending 31 March 2009 was a deficit of \$1.1 billion. This was the first March-year services deficit in eight years (since the March 2001 year). Greater expenditure on imports of transportation services (especially sea freight), and on services related to oil exploration and production, drove the services balance into deficit.

Gross domestic product by industry

The 'value added' component of industrial production measures the contribution each industry makes to GDP. Value added is calculated by taking the value of goods and services (output produced by an industry) and deducting the cost of goods and services used (intermediate consumption by the industry) in the production process.

Table 17.07

Item	External account				
	Year ending 31 March				
	2005	2006	2007	2008	2009
	\$(million)				
Current					
Income from the rest of the world					
Exports of goods	31,114	31,582	35,636	38,719	44,258
Exports of services	12,390	12,350	12,639	12,817	12,658
Compensation of employees	0	0	0	0	0
Investment income	2,983	2,215	3,042	4,099	3,176
Current transfers	1,556	1,665	1,957	2,094	2,301
Total	48,043	47,812	53,275	57,729	62,393
Payments to the rest of the world					
Imports of goods	33,344	35,685	38,464	40,515	45,594
Imports of services	11,189	11,830	12,207	12,633	13,775
Compensation of employees	0	0	0	0	0
Investment income	12,366	13,280	14,948	17,443	16,211
Current transfers	1,263	1,521	1,183	1,266	1,417
Balance on the external current account	-10,120	-14,504	-13,528	-14,128	-14,604
Total	48,043	47,812	53,275	57,729	62,393
Capital					
Capital transfers from the rest of the world	1,347	997	957	899	866
Less capital transfers to the rest of the world	1,244	1,322	1,414	1,672	1,606
Capital transfers from the rest of the world, net	102	-325	-457	-773	-740
Balance on the external current account	-10,120	-14,504	-13,528	-14,128	-14,604
Capital receipts	-10,017	-14,829	-13,985	-14,901	-15,345
Purchase of non-produced non-financial assets from the rest of the world, net	-6	2	1	-2	-161
Net lending to the rest of the world	-10,012	-14,830	-13,986	-14,899	-15,184
Capital disbursements	-10,017	-14,829	-13,985	-14,901	-15,345

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

GDP by industry is calculated quarterly in volume terms, and annually in current price and volume terms. Industries are combined to form the following broad groupings:

- primary industries (agriculture; fishing; forestry; and mining)
- goods-producing industries (manufacturing; electricity, gas, and water; and construction)
- service industries (wholesale trade; retail trade; accommodation and restaurants; transport and communication; finance, insurance, and business services (including owner-occupied dwellings); government administration and defence; personal and community services).

Service-based industries account for about 70 percent of the activity within the New Zealand economy, and therefore tend to dominate the contribution to GDP growth. For the year ending 31 March 2009, service industries grew 0.7 percent, while primary and goods-producing industries declined 2.5 and 5.5 percent, respectively.

Tables 17.08 and 17.09 detail production-based GDP statistics and show the impact of the recent economic downturn at the industry level. For example, the 8.8 percent fall in construction activity in 2009 reflects the significant decline in new housing construction. Similarly the contraction in household spending is evident in the decreased activity in the retail trade, accommodation, and restaurant sectors.

Table 17.08

Gross domestic product by broad industry group								
Chain-volume series expressed in 1995/96 prices ^(a)								
Year	Primary industries		Goods-producing industries		Service industries		Gross domestic product	
	\$(million)	Percentage change	\$(million)	Percentage change	\$(million)	Percentage change	\$(million)	Percentage change
Actual annual change from previous March year								
2006	9,359	5.6	28,650	1.2	87,505	3.7	130,383	3.2
2007	9,452	1.0	27,679	-3.4	89,610	2.4	131,501	0.9
2008	10,051	6.3	27,834	0.6	92,898	3.7	135,367	2.9
2009	9,801	-2.5	26,306	-5.5	93,503	0.7	133,485	-1.4
Seasonally adjusted change from previous quarter								
2005 Sep	2,328	2.1	7,192	-0.2	21,849	0.5	32,644	0.5
Dec	2,374	2.0	7,147	-0.6	21,884	0.2	32,584	-0.2
2006 Mar	2,372	-0.1	7,093	-0.8	22,038	0.7	32,696	0.3
Jun	2,351	-0.9	6,974	-1.7	22,107	0.3	32,699	0.0
Sep	2,333	-0.7	6,884	-1.3	22,296	0.9	32,722	0.1
Dec	2,391	2.5	6,848	-0.5	22,504	0.9	32,827	0.3
2007 Mar	2,379	-0.5	6,972	1.8	22,739	1.0	33,266	1.3
Jun	2,405	1.1	6,966	-0.1	22,980	1.1	33,529	0.8
Sep	2,531	5.2	6,894	-1.0	23,144	0.7	33,762	0.7
Dec	2,619	3.5	7,034	2.0	23,346	0.9	34,096	1.0
2008 Mar	2,508	-4.3	6,914	-1.7	23,435	0.4	33,970	-0.4
Jun	2,484	-0.9	6,829	-1.2	23,317	-0.5	33,760	-0.6
Sep	2,444	-1.6	6,721	-1.6	23,266	-0.2	33,532	-0.7
Dec	2,431	-0.5	6,496	-3.3	23,460	0.8	33,242	-0.9
2009 Mar	2,443	0.5	6,215	-4.3	23,469	0.0	32,960	-0.8
Jun	2,479	1.5	6,201	-0.2	23,537	0.3	33,036	0.2
Sep	2,577	3.9	6,048	-2.5	23,642	0.4	33,098	0.2

(a) Chain-volume series are not additive.

Source: Statistics New Zealand

Table 17.09

Gross domestic product by industry												
Chain-volume series expressed in 1995/96 prices ^(a)												
Year ending 31 March												
Year	Agriculture	Fishing, forestry, & mining	Manufacturing	Electricity, gas, & water	Construction	Wholesale trade	Retail, accommodation, & restaurants	Transport & communication	Finance, insurance, & business services	Government administration & defence	Personal & community services	Gross domestic product
2000	5,378	2,884	16,390	2,280	4,683	8,542	7,557	9,785	27,134	4,239	12,455	105,212
2001	5,526	2,957	16,814	2,307	4,375	8,892	7,704	10,450	27,629	4,312	12,930	107,691
2002	5,588	2,978	16,959	2,219	4,560	9,347	8,000	11,151	29,135	4,421	13,439	111,470
2003	5,558	3,025	18,417	2,390	5,212	9,025	8,419	11,685	30,526	4,641	14,041	116,913
2004	6,299	2,740	19,065	2,429	5,760	9,195	8,866	12,124	31,470	4,885	14,566	121,931
2005	6,142	2,633	19,573	2,526	6,191	9,825	9,406	12,903	32,615	5,202	14,823	126,394
2006	6,504	2,755	19,685	2,441	6,502	10,077	9,827	13,387	33,995	5,493	15,124	130,383
2007	6,647	2,709	18,597	2,601	6,331	10,090	10,098	13,537	35,026	5,953	15,216	131,501
2008	6,472	3,419	18,597	2,509	6,592	10,523	10,410	14,305	36,227	6,374	15,504	135,367
2009	6,310	3,335	17,612	2,523	6,009	9,973	10,043	14,334	36,793	6,672	15,946	133,485

(a) Chain-volume series are not additive.

Source: Statistics New Zealand

Figure 17.05

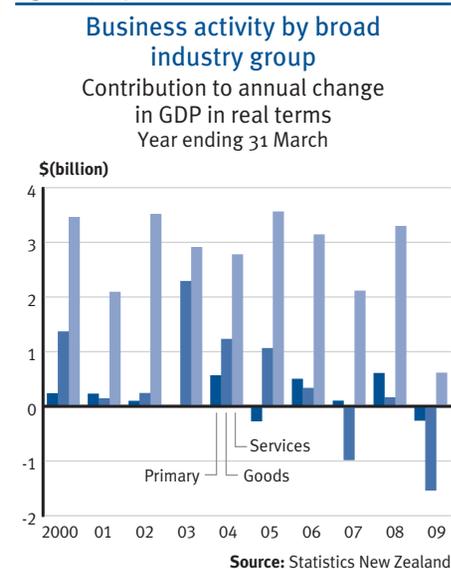


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The Dominion Post

The New Zealand All Blacks rugby team signing autographs in Wellington before a test match in 2009. New Zealand will host the 2011 Rugby World Cup, which will generate both direct and indirect economic benefits for New Zealand, including tourism revenue, new business opportunities, and infrastructure development. Major events also put New Zealand in the international spotlight, enhancing the country's reputation as an events and tourist destination.

Expenditure on gross domestic product

Another way of measuring GDP is to total all the final expenditures on goods and services of residents, add the value of exports, and subtract the value of imports. There are three broad categories of final expenditures of residents:

- final consumption expenditure of households, private non-profit institutions serving households, and general government
- gross fixed capital formation of producers
- change in inventories, which consist of increases/decreases in producers' holdings of raw materials, work in progress, and finished goods.

Table 17.10

Expenditure on gross domestic product

Year ending 31 March

Year	Private final consumption expenditure	General government final consumption expenditure	Change in inventories	Gross fixed capital formation	Gross national expenditure	Exports of goods and services	Less imports of goods and services	Expenditure on gross domestic product
\$(million)								
Current prices								
2000	67,249	20,073	1,537	22,888	111,747	33,526	34,371	110,901
2001	69,951	20,262	1,419	23,595	115,226	41,159	39,219	117,166
2002	73,400	21,710	1,886	25,969	122,967	43,694	40,778	125,882
2003	78,287	22,550	1,094	28,025	129,954	42,566	40,095	132,425
2004	83,904	24,383	1,259	31,676	141,223	40,734	40,254	141,702
2005	89,297	26,364	1,644	35,425	152,729	43,504	44,533	151,700
2006	95,499	28,702	1,100	38,556	163,856	43,932	47,515	160,273
2007	100,558	31,105	68	38,993	170,724	48,276	50,671	168,328
2008	105,515	33,849	1,408	41,667	182,439	51,536	53,148	180,827
2009	108,401	36,797	909	40,083	186,190	56,916	59,370	183,737
Chain-volume series expressed in 1995/96 prices								
2000	63,086	18,742	1,575	23,417	106,697	32,591	32,694	106,547
2001	63,954	18,357	1,207	23,504	106,982	34,649	32,478	109,084
2002	65,696	19,101	1,268	25,096	111,084	35,702	33,784	112,893
2003	68,856	19,357	1,164	27,060	116,255	38,503	36,216	118,471
2004	73,229	20,302	1,364	30,595	125,072	38,917	40,827	123,132
2005	76,567	21,143	1,779	33,288	132,280	40,802	45,922	127,506
2006	80,031	22,183	1,201	35,367	138,234	40,744	47,863	131,696
2007	81,894	23,177	285	34,673	139,699	41,936	47,113	134,793
2008	84,505	24,324	1,178	36,582	146,157	43,220	51,831	138,216
2009	83,575	25,357	808	33,936	143,612	41,817	49,386	136,589

Note: Figures may not add up to stated totals due to rounding. Chain-volume series are not additive.

Source: Statistics New Zealand

Conceptually, both the production- and expenditure-based GDP series are the same. However, as each series uses independent data and estimation techniques, some differences between the alternative measures do arise.

Expenditure on GDP is calculated annually and quarterly in current prices and in volume terms. GDP using the expenditure method is summarised in table 17.10.

The contraction in the economy for the year ending 31 March 2009 was strongly influenced by the global financial crisis. Rising unemployment, deteriorating income prospects, and tighter credit conditions, led to a 1.1 percent fall in the volume of household spending, together with a 22.8 percent decrease in housing investment for the year ending 31 March 2009. With business investment also falling, a lift in general government spending was insufficient to prevent a drop in internal demand, which fell 1.7 percent. This was the first March-year decline in internal demand since 1992.

While the fall in internal demand led to a drop in imports, export demand also fell as the external environment weakened. The overall result was that the expenditure-based measure of GDP recorded a decline in economic activity in the March 2009 year (down 1.2 percent).

Household sector

Households consist of New Zealand-resident individuals and families. Households earn income from businesses as wages, salaries, and entrepreneurial income; or from investments as interest and dividends.

Using this income, households buy goods and services from businesses and incur interest charges to service borrowing. Consumer spending on goods and services (such as motor vehicles, food, recreation, health, and education) is by far the largest part of household outlay.

The volume of household consumption expenditure decreased 1.2 percent in the year ending 31 March 2009. This followed a 3.2 percent increase in the year ending 31 March 2008. The fall in household spending was most noticeable in fewer purchases of durable goods (such as motor vehicles, furniture, and appliances) and non-durable goods (such as food and beverages). Purchases of durable and non-durable goods decreased 3.2 percent and 2.4 percent, respectively, in the March 2009 year. Conversely, spending by households on services showed a modest increase of 0.7 percent. The fall in the volume of household spending in 2009 is the first March-year decline since 1992.

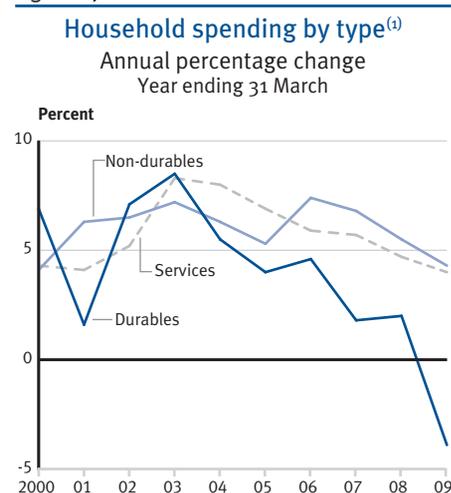
Table 17.11 shows household spending by the purpose for which the goods and services are purchased. A mixture of goods and services may be combined in a single category. For example, the health and medical category includes spending on both medical services, such as visits to the doctor, and medical products, such as medicines.

Gross fixed capital formation

Table 17.12 (overleaf) records producers' (businesses and general government) outlay on durable real assets, such as buildings, motor vehicles, plant and machinery, roading, and improvements to land; as well as household outlays on residential buildings.

Gross fixed capital formation outlay records the purchases of fixed assets after the deduction of sales of fixed assets on the second-hand market. Land is excluded from gross fixed capital formation, but the value of construction work done by a firm's own employees (own account capital

Figure 17.06



(a) Calculated from current price series.

Source: Statistics New Zealand

Table 17.11

Year	Household consumption expenditure										Total household consumption
	By purpose										
	Food & beverages	Clothing & footwear	Housing	Household goods & services	Health & medical	Transport	Recreation & education	Hotels & restaurants	Other goods & services	Net tourist expenditure	
Year ending 31 March											
\$(million)											
Current prices											
1995	8,843	2,511	11,252	5,932	1,646	7,712	5,344	3,810	5,339	-1,245	51,144
2000	10,939	3,038	15,187	6,982	..	9,167	..	4,945	7,215	-2,009	65,720
2005	14,883	3,949	18,852	9,686	..	12,639	..	6,755	9,475	-4,094	87,282
2008	17,862	4,588	21,551	11,195	..	14,479	..	8,058	11,317	-3,076	103,298
2009	18,655	4,596	22,390	11,355	..	14,043	..	8,178	11,786	-3,016	106,073
Actual chain-volume series expressed in 1995/96 prices											
1995	8,952	2,486	12,174	5,903	1,714	7,932	5,506	3,905	5,403	-1,386	52,560
2000	10,263	2,977	13,068	7,060	..	9,484	..	4,618	7,177	-2,075	61,589
2005	12,550	3,794	14,107	9,536	..	12,150	..	5,494	8,284	-2,882	74,593
2008	13,888	4,406	14,749	10,871	..	12,458	..	5,971	9,155	-1,563	82,415
2009	13,495	4,413	14,940	10,768	..	11,617	..	5,787	9,298	-1,749	81,463

Note: Figures may not add up to stated totals due to rounding.

Symbol: .. figure not available

Source: Statistics New Zealand

Strong New Zealand dollar affects exports

Sales of New Zealand products in some of the country's biggest markets are yielding lower returns in New Zealand dollar terms. The dollar appreciated considerably during 2009 against the United States (US) dollar, United Kingdom (UK) pound, and the euro.

Unfortunately for the sheep and beef sectors, the larger proportion of beef and lamb is sold or traded in US dollars or UK pounds. Meat and Wool New Zealand estimated that overall export volumes in 2010 for wool, lamb, mutton, and beef were expected to be similar to 2009, but the exchange rate factor would reduce export receipts.

The UK buys about 25 percent of New Zealand's lamb exports, with continental Europe close behind. Ironically, demand for Kiwi lamb has risen as British farmers moved their product towards Europe to take advantage of the low pound against the euro.

The UK is also New Zealand's second-biggest export market for wine. Export NZ Wellington estimated that many wine producers had lost more than 20 percent of their gross revenues in 2009 compared with pre-crisis levels. New Zealand sent \$285 million of wine to the UK in 2009, 28 percent of the export market by value and about one-third by volume.

New Zealand's trade commissioner for Britain and Ireland, Michelle Templer, said exporters may have to put up with the weak pound for a while. She said that New Zealand exporters had become better at managing exchange rate fluctuations during the last five years.

However, the strong New Zealand dollar is also enticing many Kiwis to export themselves on holiday.

House of Travel was anticipating an increase in the number of people buying flights and holiday packages in 2010. They said New Zealand travellers were staying away longer, upgrading accommodation, or taking holiday add-ons. More people were also going to the United States and Canada.

The strong New Zealand dollar had also failed to deter rugby fans from booking tickets for the 2011 Rugby World Cup, with strong demand coming from South Africa, the UK, and France.

Source: Statistics New Zealand

Image removed due to copyright issues

The Dominion Post

David Cross from Wellington's Downtown Community Ministry sits below empty shelves that urgently require goods. Many community centres reported an increase in the use of food banks and accommodation shelters as a result of the 2008–09 economic recession. Unfortunately they also experienced a decrease in donations.

formation) is included. The term 'gross' indicates that consumption of fixed capital (economic depreciation) has not been deducted from the value of the outlay.

Measured in volume terms, capital investment fell 7.2 percent in the year ending 31 March 2009. In the previous March year, capital investment rose 5.5 percent. The fall in gross fixed capital formation between 2008 and 2009 was primarily driven by a drop in investment in transport equipment and residential buildings.

Table 17.12

Gross fixed capital formation								
By asset type								
Year ending 31 March								
Year	Non-Residential buildings	residential buildings	Other construction	Land improvements	Transport equipment	Plant machinery & equipment	Intangible assets	Total
\$(million)								
Current prices								
1995	4,815	2,502	1,226	221	2,473	6,106	1,011	18,355
2000	6,222	2,736	2,807	319	2,444	6,506	1,854	22,888
2005	10,346	4,513	3,901	521	4,152	9,494	2,499	35,425
2008	11,865	5,352	5,643	769	4,267	10,704	3,068	41,667
2009	9,400	5,610	6,316	818	2,774	11,679	3,486	40,083
Chain-volume series expressed in 1995/96 prices								
1995	5,158	2,574	1,245	222	2,443	5,913	1,006	18,543
2000	5,839	2,700	2,703	308	2,525	7,277	2,085	23,417
2005	7,522	3,710	3,128	394	4,014	11,849	3,076	33,288
2008	7,311	3,916	3,956	499	4,028	14,173	3,725	36,582
2009	5,645	3,992	4,238	483	2,613	14,397	4,310	33,936

Note: Figures may not add up to stated totals due to rounding. Chain-volume series are not additive.

Source: Statistics New Zealand

Capital stock statistics

Capital stocks are the tangible and intangible fixed assets owned by producers. Statistics NZ produces two measures of capital stock:

- Net capital stock is a wealth measure of the current value of the stock of fixed assets still in use in New Zealand.
- Productive capital stock is a volume measure of the stock of fixed assets in New Zealand, adjusted for the decline in efficiency as the assets age.

The capital stock series, shown in table 17.15, are calculated using a perpetual inventory model. The perpetual inventory model involves progressively building up capital stock estimates using the following equation:

Closing stock = opening stock + acquisitions – disposals – consumption of fixed capital

Consumption of fixed capital at replacement cost is an important output from the model, and is represented in the national accounts as economic depreciation.

External trade

Exports of goods and services comprise all goods and services produced by New Zealand residents and purchased by non-residents (rest of world). Conversely, imports of goods and services comprise all goods and services produced by the rest of world and purchased by New Zealand residents. Data for imports and exports is shown in tables 17.13 and 17.14, respectively.

Imports Total current price imports were \$59.4 billion in the year ending 31 March 2009 (up 11.7 percent from the year ending 31 March 2008). This increase was primarily driven by a 23.1 percent increase in the price of imported intermediate goods. The volume of imports in the year ending 31 March 2009 was down 4.7 percent.

Exports In current price terms, exports of goods and services were \$56.9 billion in the year ending 31 March 2009 (up 10.4 percent from the year ending 31 March 2008). This increase was mainly due to exports of goods, which increased 14.3 percent. In volume terms, total exports declined 3.2 percent for the year ending 31 March 2009. The New Zealand dollar was on average 14.0 percent lower against its major trading partners in the 2009 year compared with 2008. This had an impact on both exports and imports in current price terms.

Both import and export volumes for the year ending March 2009 reflect the downturn in the world economy. While prices continued to rise (shown by increased current price trade), lower internal and external demand led to a decrease in our net exports.

Annual percentage changes in the current price value of exports and imports since 1999 are shown in figure 17.07.

Figure 17.07

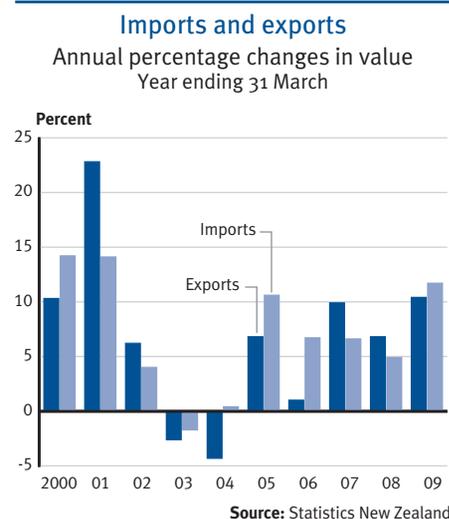


Table 17.13

Imports of goods and services									
Year ending 31 March									
Year	Motor spirit	Passenger motor cars	Military & other goods	Consumption goods ⁽¹⁾⁽²⁾	Intermediate goods ⁽²⁾	Capital equipment ⁽¹⁾	Total goods	Total services	Total imports
Current prices									
2005	636	3,125	319	8,125	14,530	6,608	33,344	11,189	44,533
2006	931	2,964	64	8,703	15,708	7,317	35,685	11,830	47,515
2007	1,088	2,786	109	9,524	17,709	7,248	38,464	12,207	50,671
2008	1,313	3,015	268	9,908	18,798	7,213	40,515	12,633	53,148
2009	1,032	2,294	50	10,788	23,137	8,292	45,594	13,775	59,370
Chain-volume series expressed in 1995/96 prices									
2005	284	3,573	309	8,363	13,630	10,214	35,530	10,555	45,922
2006	315	3,552	61	9,041	13,402	11,925	36,943	11,080	47,863
2007	313	3,276	93	9,567	13,089	11,564	36,626	10,668	47,113
2008	360	3,677	273	10,230	14,394	12,741	40,302	11,725	51,831
2009	253	2,790	43	9,925	14,199	13,164	38,539	11,051	49,386

(1) Excludes imports of passenger motor vehicles, which are recorded separately. (2) Excludes imports of motor spirit, which are recorded separately.

Note: Figures may not add up to stated totals due to rounding. Chain-volume series are not additive.

Source: Statistics New Zealand

Table 17.14

Exports of goods and services													
Year ending 31 March													
Year	Agriculture & fishing primary products	Forestry primary products	Coal, crude petroleum & ores, minerals & gases	Meat products	Dairy products	Other food, beverages, & tobacco	Textiles, apparel, & leather products	Wood & paper products	Chemicals, rubber, plastic, & other non-metallic products	Metal products, machinery, & equipment	Total exports of goods	Exports of services	Total exports
Current prices													
2005	2,987	414	727	4,872	5,784	3,369	1,593	2,839	2,561	5,967	31,114	12,390	43,504
2006	2,802	450	1,018	4,611	5,993	3,685	1,494	2,692	2,551	6,286	31,582	12,350	43,932
2007	C	640	C	5,037	7,455	C	C	C	C	C	35,636	12,639	48,276
2008	C	601	C	4,656	9,434	C	C	C	C	C	38,719	12,817	51,536
2009	C	737	C	5,797	10,101	C	C	C	C	C	44,258	12,658	56,916
Chain-volume series expressed in 1995/96 prices													
2005	3,060	650	396	3,323	6,547	3,168	1,898	3,253	1,957	5,903	30,401	10,361	40,802
2006	3,357	631	427	3,250	6,392	3,365	1,878	3,237	1,819	6,015	30,602	10,137	40,744
2007	3,282	751	342	3,468	7,815	3,275	1,849	3,246	1,902	6,021	32,104	9,920	41,936
2008	3,576	775	885	3,368	7,747	3,382	1,820	3,119	1,900	6,126	33,549	9,822	43,220
2009	3,426	843	994	3,421	6,576	3,348	1,608	2,926	2,138	6,277	32,955	9,070	41,817

Note: Figures may not add up to stated totals due to rounding. Chain-volume series are not additive.

Symbol: C confidential

Source: Statistics New Zealand

Investing for the future

The New Zealand Superannuation Fund (NZSF), established under the New Zealand Superannuation and Retirement Income Act 2001, began investing in September 2003 with \$2.4 billion in cash. At 30 November 2009, the fund's assets totalled \$15.6 billion.

The NZSF was created to partly pre-fund the country's taxpayer funded 'pay-as-you-go' retirement income system – New Zealand Superannuation (NZS) – under which eligible residents over 65 years of age receive a pension, regardless of their income or assets.

The system requires that current pensions are paid by those currently in work. At present, about one person in eight is over 65 years; but by 2030 the ratio of people in this age group will be one in four. The cost of providing NZS in 2030 will be around 6.7 percent of gross domestic product, compared with 4.1 percent in 2008.

The purpose of the fund is therefore to reduce the tax burden on future New Zealanders of the cost of NZS. This occurs through the returns produced on investing the Crown contributions the fund received until contributions were suspended in 2009, and the proceeds of those investments. That money will then be progressively withdrawn by the government of the day to assist in meeting the cost of providing NZS. In so doing, it reduces the need for the government to look for other sources, such as raising debt or taxation, to meet that cost. Under current law, no capital withdrawal is allowed before 1 July 2031.

Currently, the first beneficiaries of the fund are 44-years-old. The fund is scheduled to peak as a percentage of GDP when today's 19-year-olds are ready to retire, and will still be contributing to meeting the cost of making NZS payments to New Zealanders not yet born.

The investments are required to maximise returns over the long term, without undue risk and while avoiding prejudice to New Zealand's reputation. The fund has holdings across a wide range of asset classes in New Zealand and internationally.

Source: New Zealand Superannuation Fund

International accounts

New Zealand's international accounts consist of statistics on the balance of payments (BOP) and international investment position (IIP). BOP statistics are statements of New Zealand's transactions in goods, services, income, and transfers with the rest of the world, net flows of foreign investment in New Zealand, and New Zealand investment abroad. IIP statistics show the value of foreign investment in New Zealand, and the value of New Zealand investment abroad at specific points in time. The IIP statement includes statistics measuring New Zealand's gross and net overseas debt for both the government and private sectors.

Statistics NZ publishes BOP and IIP statements for each quarter. The level of detail in the quarterly series provides a useful basis for analysing and assessing the country's external financial situation. Annual BOP and IIP statements are published using a March reference period and show the source of foreign investment into New Zealand, and destinations of New Zealand investment abroad.

BOP statistics are presented in a set of accounts consisting of two main groups: the current account, and the capital and financial account. Each of the BOP accounts is further subdivided into major components and balances. The balance of each component is the inflows (credits) less the outflows (debits).

The current account

The current account records New Zealand's transactions in goods, services, income, and current transfers.

For goods, the balance on goods is the value of exports, less the value of imports. The primary source of data is export and import entry documents lodged with the New Zealand Customs Service by importers, exporters, and their agents.

Services include: transportation of exports and imports of goods, passenger airfare revenue and expenditure, spending by New Zealand tourists abroad and foreign tourists in New Zealand, telecommunications, insurance and financial services, and other business services. Royalties and licence fees are also included.

Income encompasses income earned by foreign investors from their investments in New Zealand, and that earned by New Zealand investors from their investments abroad. Income from investments includes operating profits and losses, earnings retained in the business or distributed as dividends, and interest on debt instruments.

Table 17.16

Component	Balance of payments – major components ⁽¹⁾				
	Year ending 31 March				
	2005	2006	2007	2008	2009
	\$(million)				
Current account summary					
Balance on goods	-2,230	-4,104	-2,828	-1,796	-1,336
Exports (free on board)	31,114	31,582	35,636	38,719	44,258
Imports (free on board)	33,344	35,685	38,464	40,515	45,594
Balance on services	1,201	521	432	184	-1,118
Exports	12,390	12,350	12,639	12,817	12,658
Imports	11,189	11,830	12,207	12,633	13,775
Balance on income	-9,383	-11,064	-11,906	-13,344	-13,035
Income from investment abroad	2,648	1,826	2,791	3,707	2,638
Income from foreign investment in New Zealand	12,031	12,891	14,696	17,051	15,673
Balance on current transfers	292	144	774	828	920
Inflow	1,556	1,665	1,957	2,094	2,337
Outflow	1,263	1,521	1,183	1,266	1,417
Current account balance	-10,120	-14,504	-13,528	-14,128	-14,569
Capital account summary					
Balance on capital account	108	-327	-458	-772	-579
Inflow	1,354	998	958	905	1,056
Outflow	1,246	1,325	1,415	1,677	1,635
Financial account summary					
New Zealand investment abroad	3,222	-3,789	11,119	12,500	-16,122
Direct investment	365	-3,849	2,351	4,505	-1,231
Portfolio investment	1,455	-297	3,948	1,484	-1,423
Other investment	2,315	-4,494	-1,924	748	-3,521
Reserve assets	-913	4,851	6,744	5,763	-9,947
Foreign investment in New Zealand	13,870	10,419	23,370	26,796	-8,853
Direct investment	3,717	2,459	8,843	4,037	6,149
Portfolio investment	4,262	2,905	4,622	14,443	-14,673
Other investment	5,892	5,055	9,905	8,316	-329
Net errors and omissions	-637	622	1,735	603	7,879

(1) Tables presented in general accordance with principles laid down by the International Monetary Fund in the fifth edition of the *Balance of Payments Manual* (1993).

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Current transfers include benefits and pensions received and paid, foreign aid, and withholding tax. Transfers are classified into either current transfers (which affect the level of disposable income of the donor and recipient), or capital transfers (which involve transfers in ownership of fixed assets or forgiveness of financial liabilities, and are included in the capital account).

Goods dominate New Zealand's current account. Exports of goods accounted for approximately 72 percent of total current account inflows (credits), and imports accounted for approximately 60 percent of total current account outflows (debits) for the year ending 31 March 2009.

Table 17.17 presents New Zealand's international trade in services for the March years 2005 to 2009, and shows that the balance on services has moved from a surplus of \$1,201 million in the March 2005 year, to a deficit of \$1,118 million in the March 2009 year. This is the first March-year services deficit in eight years. Exports of services rose \$268 million between 2005 and 2009, but this was more than offset by a \$2,586 million rise in imports of services. Growth in imports of transportation services (due to higher volumes of goods imported), travel, and other business services were the main reasons behind the services balance moving from a surplus to a deficit.

The capital account

The capital account records migrant transfers and sales and purchases of intangible assets, such as licences, patents, copyrights, and franchises.

The financial account

The financial account records investment transactions between New Zealand residents and the rest of the world. These transactions increase or decrease the level of foreign investment in New Zealand, and the level of New Zealand investment abroad.

Investment instruments include equity capital (such as shares in companies), and debt instruments (such as bonds and notes, money market instruments, loans, deposits, and trade credits and debits).

Table 17.17

Service	Trade in services				
	Year ending 31 March				
	2005	2006	2007	2008	2009
	\$(million)				
	Exports				
Transportation	2,311	2,471	2,678	2,762	2,645
Sea transport	573	673	726	614	505
Air transport	1,738	1,798	1,953	2,148	2,140
Travel	7,585	7,326	7,401	7,311	7,109
Business	704	721	746	836	767
Personal	6,881	6,605	6,655	6,475	6,342
Education	1,973	1,746	1,564	1,526	1,489
Health	11	11	11	11	11
Other	4,897	4,848	5,079	4,937	4,841
Communication	331	361	224	287	313
Construction	60	43	10	11	22
Insurance	43	38	40	44	49
Financial	108	123	114	109	115
Computer and information	265	273	293	295	337
Royalties and licence fees	146	153	184	211	247
Other business services	1,089	1,172	1,306	1,297	1,372
Personal, cultural, and recreational	310	241	239	320	261
Government services not included elsewhere	142	149	149	171	187
Total exports of services	12,390	12,350	12,639	12,817	12,658
	Imports				
Transportation	3,926	3,987	4,116	4,057	4,451
Sea transport	2,061	2,081	2,006	1,924	2,295
Air transport	1,865	1,907	2,110	2,134	2,156
Travel	3,503	3,836	3,949	4,224	4,165
Communication	344	417	304	286	332
Construction	30	42	85	125	150
Insurance	335	341	314	319	330
Financial	158	152	126	171	131
Computer and information	324	384	404	426	483
Royalties and licence fees	790	784	785	791	799
Other business services	1,571	1,680	1,908	1,998	2,642
Personal, cultural, and recreational	66	57	64	75	97
Government services not included elsewhere	143	149	150	161	195
Total imports of services	11,189	11,830	12,207	12,633	13,775
Balance on services	1,201	521	432	184	-1,118

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

KiwiSaver bigger than expected

Government Actuary David Benison said the Government had expected it to take until 2017 to sign-up over 855,000 people to KiwiSaver. However, at 28 February 2010, over 1.33 million people had joined the scheme.

For the year to 30 June 2009, \$2.116 billion in contributions from members, employers, and the Crown were passed from Inland Revenue to providers for investment, more than double that contributed for the year to 30 June 2008.

In total, \$3.154 billion in contributions has been transferred to providers. Because members can contribute funds to providers directly, this figure understates the total value saved in KiwiSaver accounts.

Inland Revenue's KiwiSaver Evaluation Report gives a comprehensive review of the scheme to 30 June 2009. It shows that although the number of people enrolling per month has decreased, enrolments grew at an average of 32,000 people per month over the year ending June 2009.

It noted that members didn't reduce their contribution rate when the new Government cut the employers' maximum rate from 4 percent to 2 percent in April 2009. It found that 90 percent of employers, but only 12 percent of members, contributed 2 percent; and that 3 percent of employers, but 83 percent of members, contributed 4 percent.

Few original members have cut their contribution rate since the changes, but new members have adapted to the change. About half the new members were contributing 2 percent and nearly half had chosen to contribute at the higher rates, either 4 percent or 8 percent.

The majority of the assets (about 78 percent) are under management in nine schemes and are largely invested in relatively conservative funds; 49 percent of assets at March 2009 were invested in conservative options compared with 18 percent in growth-orientated funds. An estimated 56 percent of funds are invested in New Zealand assets and 44 percent in overseas assets. Conservative funds have generated the best returns for members over the year to March 2009.

Inland Revenue reported 17,975 transfers between schemes in the June 2008 year and 50,735 in the June 2009 year. It says members actively monitor their accounts and the number of transfers will grow as providers compete for the business of existing rather than new members.

Source: Inland Revenue

Image removed due to copyright issues

The Dominion Post

Stuart Cookson opens for business at his Tawa garage sale in 2009. The number of garage sales increased, and second-hand stores reported more business, as the recession took hold in New Zealand. Other businesses to see increases were: garden supply stores, free loans from libraries, and online auction websites, and city councils reported more prompt payment of parking fines to avoid further penalties.

Figure 17.08 shows that net inward investment has consistently outweighed net outward investment, reflecting New Zealand's dependency on foreign capital to finance its current account deficits. In the March 2009 year, New Zealand's current account deficit was partly funded by decreasing New Zealand's investment abroad. Compared with previous periods, this is an unusual way for New Zealand to fund its current account deficit.

Classification of investment categories in the financial account is further determined by the relationship between transactors, and is presented as direct, portfolio, and other investment. Direct investment is all financial capital transactions occurring between parties where there is an ownership relationship of 10 percent or more. For example, where a foreign investor owns 10 percent or more of the equity capital of a New Zealand company, then all the financial capital transactions between the New Zealand company (the direct investee) and the overseas investor (the direct investor) are classified as direct investment. These transactions increase or decrease the level of foreign direct investment in New Zealand.

Direct investment transactions include transactions in equity capital and debt instruments, including bonds, loans, and trade credits and debits. Income from the foreign direct investor's investment in New Zealand is recorded in the current account as income from foreign investment in New Zealand – direct investment income.

Portfolio investment includes transactions in equity and debt instruments, where the ownership relationship between the transactors does not meet the criteria for direct investment. Therefore, in addition to equity securities, this category includes marketable debt instruments – bonds and notes, and money market instruments.

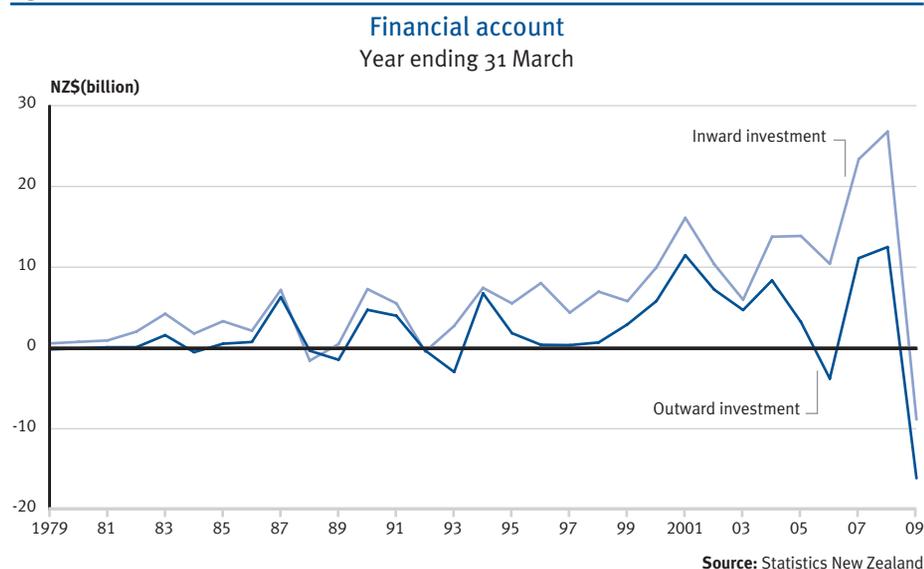
Banking sector funding transactions in marketable debt instruments between direct investors and direct investees are included within portfolio investment where these transactions are defined as being in the nature of usual banking business (financial intermediation), rather than transactions aimed at increasing or decreasing the direct investor's ownership role.

The main contributors to New Zealand portfolio equity investment abroad are New Zealand-resident fund managers. Foreign portfolio equity investment in New Zealand is dominated by investment into New Zealand companies through New Zealand-resident nominees.

New Zealand portfolio investment abroad, in the form of debt securities, is dominated by banks and fund managers. This form of foreign portfolio investment in New Zealand is spread more widely across the domestic sectors, with banks and government contributing significantly.

Other investment is a residual component within the financial account, and consists of financial assets and liabilities not classified as either direct or portfolio investment. Other investment includes loans, deposits, trade finance (trade credits and debits), and other instruments transacted with an unrelated party abroad.

Figure 17.08



International investment position

The international investment position (IIP) records the level of an economy's international financial assets and liabilities (the balance sheet) at a particular point in time. These are shown in figure 17.09 (overleaf).

The balance of payments (BOP) financial account and IIP statistics are closely related, with BOP measuring investment flows and IIP measuring stock positions. The New Zealand IIP statement includes position data on financial derivatives. Since no transaction data is collected for these, they do not appear in the BOP statistics.

The difference in the level of international financial assets and liabilities between two points in time is due to BOP financial account transactions and other non-transaction changes that occur during the reference period.

Non-transaction changes are revaluations of assets and liabilities, changes arising from translation of overseas assets and liabilities in foreign currencies into New Zealand dollars, changes in market prices, and other adjustments such as write-offs.

Table 17.18 (overleaf) shows New Zealand's IIP at 31 March 2005 to 2009. The value of New Zealand investment abroad (assets) is lower than the value of foreign investment in New Zealand (liabilities). At 31 March 2009, the net IIP (assets less liabilities) was negative \$173.5 billion. This net debtor position is a reflection of the long-running current account deficits, which are financed by a net inflow of capital into New Zealand, recorded in the financial account.

Image removed due to copyright issues

The Dominion Post

Local supermarket owner Karl Marryatt (left), Positively Wellington Tourism chief executive David Perks, and Mayor Kerry Prendergast try out the new Wellington waterfront campervan park. New Zealand's current account records transactions in services, which include spending by foreign tourists in New Zealand and by New Zealand tourists abroad.

Figure 17.09

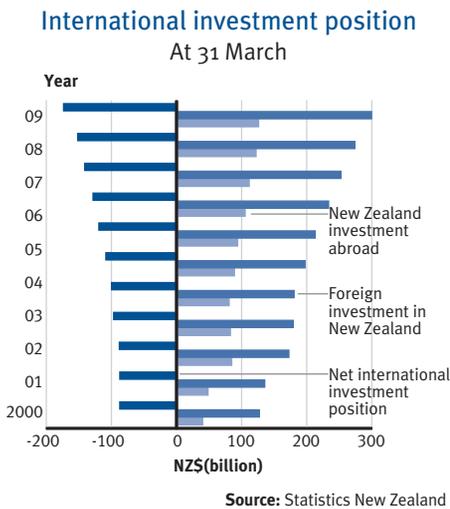


Table 17.18

International investment position					
At 31 March					
	2005	2006	2007	2008	2009
\$(million)					
New Zealand investment abroad					
Direct	20,269	19,311	20,552	21,857	23,900
Equity capital and reinvested earnings	16,555	15,635	16,985	17,656	21,460
Other capital	3,714	3,676	3,567	4,201	2,440
Claims on affiliated enterprises	C	6,720	C	C	C
Liabilities to affiliated enterprises	C	-3,044	C	C	C
Portfolio	33,976	42,532	44,295	44,900	38,595
Equity securities	24,946	33,677	34,512	33,959	27,148
Debt securities	9,031	8,854	9,782	10,941	11,447
Other	25,373	21,463	19,983	20,727	17,823
Trade credits	C	2,974	3,755	3,808	3,672
Loans	19,502	9,690	9,622	10,708	7,717
Currency and deposits	3,065	7,241	5,484	4,907	4,846
Other assets	C	1,559	1,122	1,303	1,588
Financial derivatives	5,347	7,486	6,411	10,162	25,198
Reserve assets	8,828	14,596	20,381	24,538	20,533
Total	93,793	105,388	111,622	122,185	126,050
Foreign investment in New Zealand					
Direct	72,274	76,977	85,939	88,928	92,817
Equity capital and reinvested earnings	45,757	46,317	51,576	50,867	51,024
Other capital	26,517	30,660	34,363	38,061	41,793
Claims on direct investors	-12,254	-10,954	-10,476	-12,326	-10,795
Liabilities to direct investors	38,771	41,614	44,840	50,387	52,588
Portfolio	77,918	83,540	84,527	92,892	90,735
Equity securities	16,631	17,435	16,796	13,591	10,055
Debt securities	61,287	66,105	67,731	79,301	80,680
Other	56,764	65,546	74,712	82,062	88,560
Trade credits	1,832	2,085	1,741	C	1,732
Loans	37,894	43,098	49,572	57,696	63,742
Currency and deposits	16,490	19,287	21,995	21,287	21,525
Other liabilities	547	1,077	1,404	C	1,561
Financial derivatives	6,089	7,541	7,352	10,027	27,459
Total	213,045	233,604	252,531	273,909	299,572
Net international investment position	-119,252	-128,216	-140,908	-151,724	-173,522

Note: Figures may not add up to stated totals due to rounding.

Symbol: C confidential

Source: Statistics New Zealand

Deficits and surpluses

The balance on the current account is the sum of the balances on goods, services, income, and current transfers.

Because they involve the exchange of resources, current account surpluses and deficits have financial implications. Surpluses (net outflows of resources) result in increases in New Zealand's net financial claims over the rest of the world. Conversely, deficits (net inflows of resources) translate into decreases in New Zealand's net financial claims over the rest of the world.

Figure 17.10 shows the current account balance as a proportion (ratio) of gross domestic product (GDP), from 1959 to 2009. This ratio measures New Zealand's net provision or acquisition of resources, to or from abroad, as a proportion of the value of New Zealand's annual output. The use of the ratio is an indication of the ability of the economy to sustain a current account imbalance.

For example, an increasing current account deficit has different implications for a growing economy than for an economy in which GDP is static or falling.

New Zealand has incurred persistent current account deficits since the mid-1970s. These have ranged between -13.4 percent of GDP in 1975 (at the height of the 1970s' oil crisis), to -0.7 percent in 1989. More recently, the ratio rose to a peak of -9.2 percent for the March 2006 year, before falling to -8.1 percent for the March 2009 year.

International investment

Table 17.19 shows the main countries, economic groupings, and regions that are the sources of foreign direct investment into New Zealand, and the destinations of New Zealand direct investment abroad. Direct investment occurs where there is an ownership relationship of 10 percent or more.

Table 17.19

Direct investment⁽¹⁾⁽²⁾					
By regional groupings and selected countries					
At 31 March					
Grouping/country	2005	2006	2007	2008	2009
\$(million)					
New Zealand's direct investment abroad					
APEC	16,863	14,799	16,973	16,672	19,408
ASEAN	594	493	316	696	1,551
EU	278	1,969	2,085	2,957	2,705
OECD	13,138	12,827	15,034	18,340	19,659
Australia	11,321	9,519	10,967	11,528	12,053
Bermuda	758	98	C	C	C
Canada	38	72	73	73	88
Germany	C	C	C	C	C
Hong Kong, SAR	C	102	392	506	631
Japan	C	C	C	C	C
Netherlands	C	C	C	C	C
Singapore	C	C	C	C	C
United Kingdom	C	918	897	1,210	1,101
United States	1,348	1,174	1,778	3,623	4,661
Total	20,269	19,311	20,552	21,857	23,900
Foreign direct investment in New Zealand					
APEC	51,624	56,518	63,708	64,569	65,920
ASEAN	1,094	1,521	2,083	2,563	2,520
EU	11,627	10,608	10,447	10,851	10,244
OECD	58,940	62,289	69,219	73,615	73,400
Australia	34,273	39,561	44,157	47,370	46,110
Bermuda	C	C	C	C	C
Canada	1,100	1,000	1,328	1,642	1,510
Germany	C	605	440	479	603
Hong Kong	673	611	735	711	986
Japan	1,700	1,652	1,819	2,006	3,196
Netherlands	4,230	3,641	4,303	4,805	4,614
Singapore	1,184	1,215	1,770	2,254	2,204
Switzerland	114	52	75	142	148
United Kingdom	4,542	4,988	4,075	4,138	3,247
United States	9,397	8,727	10,540	10,750	11,469
Total	72,274	76,977	85,939	88,928	92,817

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals. (2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Note: APEC Asia-Pacific Economic Cooperation; ASEAN Association of Southeast Asian Nations; EU European Union; OECD Organisation for Economic Co-operation and Development; SAR special administrative region.

Symbol: C confidential

Source: Statistics New Zealand

Australia is New Zealand's single most important direct investment partner country in terms of both the country's direct investment abroad, and foreign direct investment in New Zealand. The United States and the United Kingdom are significant sources of foreign direct investment in New Zealand.

New Zealand's most significant regional or group partners are the Asia-Pacific Economic Cooperation economies, the Organisation for Economic Co-operation and Development countries, and the European Union.

Table 17.20 (overleaf) shows New Zealand industries that hold international assets, and those in which foreign investors have invested (New Zealand's international liabilities) at 31 March 2007 to 2009.

The financial and insurance services industry accounts for the largest proportion of New Zealand's international assets and liabilities. The proportion of assets held by this industry fell from 65.1 percent in March 2008 to 62.5 percent in March 2009. The main contributions were from banks and funds invested abroad by fund managers on behalf of individuals. The proportion of international liabilities held by the financial and insurance services industry continued to increase, to reach 60.7 percent at 31 March 2009.

The public administration and safety industry and the manufacturing industry each made significant contributions to New Zealand's international assets and liabilities.

The international investments held by the public administration and safety industry (7.0 percent of New Zealand's total international assets at 31 March 2009) are predominantly reserve assets held by the Treasury and the Reserve Bank of New Zealand.

The manufacturing industry held 12.2 percent of New Zealand's total international assets, and received 8.6 percent of total foreign investment in New Zealand.

Figure 17.10

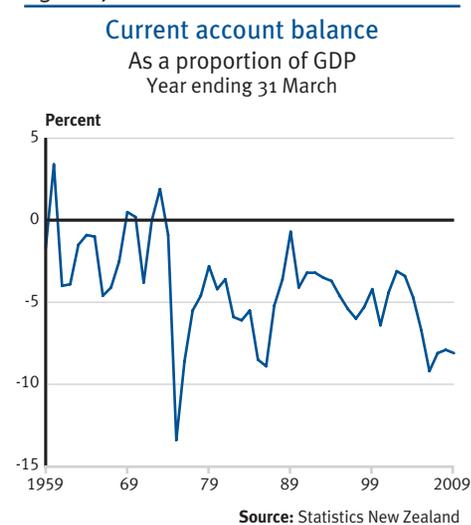


Table 17.20

International assets and liabilities by industry ⁽¹⁾⁽²⁾			
	By industry At 31 March		
	2007	2008	2009
	\$(million)		
New Zealand's international assets			
Agriculture, forestry, and fishing	C	C	C
Mining	C	C	1,288
Manufacturing	17,928	17,000	17,520
Electricity, gas, water, and waste services	C	C	903
Construction	201	325	344
Wholesale trade	3,444	4,802	5,665
Retail trade	1,015	820	931
Accommodation and food services	C	C	C
Transport, postal, and warehousing	C	918	1,539
Information media and telecommunications	C	C	C
Financial and insurance services	82,382	90,346	89,669
Rental, hiring, and real estate services	C	425	C
Professional, scientific, and technical services	292	283	862
Administrative and support services	C	C	C
Public administration and safety	C	11,410	10,073
Public administration	10,593	10,678	9,370
Defence	785	732	703
Public order, safety, and regulatory services	C	--	--
Education and training	--	--	--
Health care and social assistance	C	C	C
Arts and recreation services	C	C	C
Other services	C	C	C
Unallocated to industry	2,245	4,154	5,872
Total	124,945	138,725	143,551
New Zealand's international liabilities			
Agriculture, forestry, and fishing	4,719	5,051	4,752
Mining	2,687	3,247	3,593
Manufacturing	25,820	25,820	27,265
Electricity, gas, water, and waste services	4,824	5,160	7,840
Construction	836	658	667
Wholesale trade	10,589	10,804	8,556
Retail trade	6,224	5,846	5,705
Accommodation and food services	902	889	969
Transport, postal, and warehousing	4,416	4,023	4,090
Information media and telecommunications	15,694	14,209	13,608
Financial and insurance services	154,503	174,279	192,353
Rental, hiring, and real estate services	3,551	3,458	3,830
Professional, scientific, and technical services	2,760	4,705	5,065
Administrative and support services	377	418	284
Public administration and safety	C	C	C
Public administration	15,090	17,498	19,175
Defence	1	4	--
Public order, safety, and regulatory services	C	C	C
Education and training	--	--	--
Health care and social assistance	C	1,551	1,850
Arts and recreation services	C	C	C
Other services	C	C	C
Unallocated to industry	10,099	11,041	15,845
Total	265,853	290,449	317,073

(1) These tables are prepared on a balance sheet basis. (2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols: C confidential -- figure too small to be expressed

Source: Statistics New Zealand

Business statistics

Annual and quarterly surveys conducted by Statistics NZ provide comprehensive information about businesses in New Zealand.

The Annual Enterprise Survey, which covers most industries, collects information on the financial performance and position of New Zealand businesses.

Quarterly business surveys, such as the Economic Survey of Manufacturing, provide information on short-term activity, while the Quarterly Employment Survey offers a broad picture of employment across the economy.

In addition to these financial surveys, Statistics NZ also produces business demographic statistics, based on a recently developed statistical resource – the Longitudinal Business Frame. Business demographic statistics provide an annual snapshot (at February) of the structure and characteristics of New Zealand businesses.

Image removed due to copyright issues

The Aucklander

John Eady runs the Lewis Eady music shop on Auckland's Great South Road. The family business has been in operation since 1884, spanning four generations of the Eady family. The University of Auckland Business School believes more should be done to understand multi-generational businesses, as they generally have a long-term business strategy that makes them more resilient to economic downturns.

Table 17.21 shows the number of business locations (geographic units) and the number of employees engaged by these business locations (employee count) at February 2009 for the different industry groups in New Zealand.

Table 17.21

Geographic units⁽¹⁾ and employee count⁽²⁾ by industry In economically significant enterprises⁽³⁾

Industry	Number of geographic units	Employee count
Property and business services	161,837	247,610
Manufacturing	24,279	239,140
Retail trade	47,165	231,840
Health and community services	20,269	200,450
Education	8,933	161,540
Construction	51,233	119,720
Agriculture, forestry, and fishing	77,023	116,670
Wholesale trade	21,676	115,840
Accommodation, cafes, and restaurants	14,905	114,560
Government administration and defence	1,917	79,450
Transport and storage	14,745	77,720
Personal and other services	18,522	70,090
Finance and insurance	30,306	53,810
Cultural and recreational services	14,644	52,480
Communication services	3,977	24,530
Electricity, gas, and water supply	466	7,910
Mining	683	5,920
Total	512,580	1,919,290

(1) A geographic unit (business location) in New Zealand is a separate operating unit engaged in one, or predominantly one, kind of economic activity from a single physical location. (2) The employee count is the number of salary and wage earners, sourced from taxation data. Figures may not add up to totals due to rounding. (3) This generally includes all enterprises with GST turnover greater than \$30,000 a year.

Note: Figures may not add up to stated totals due to rounding.

Source: Statistics New Zealand

Contributors and related websites

Inland Revenue – www.ird.govt.nz

New Zealand Superannuation Fund – www.nzsuperfund.co.nz

Reserve Bank of New Zealand – www.rbnz.govt.nz

Statistics New Zealand – www.stats.govt.nz

The Treasury – www.treasury.govt.nz

Image removed due to copyright issues

Otago Daily Times

Shrek, aged 15 years, follows his owner John Perriam past fellow merino sheep. Shrek made headlines around the world in 2004 when his 27-kilogram fleece was shorn on international television. In November 2009 Shrek came out of retirement to 'help' Mr Perriam launch a book about Bendigo Station, the Central Otago farm they both live on.

18 | Agriculture

Farming, forestry, and horticulture continue to be significant export-earning industries for New Zealand. In the year ending 31 March 2009, these sectors provided two-thirds of New Zealand's total merchandise export earnings. Agricultural products (dairy, meat, and wool) are the biggest earner in the primary sector, contributing about 48 percent of New Zealand's export earnings. Forestry and horticulture (which includes fruit, vegetables, and wine) earn 8 percent each. Primary industries and downstream manufacturing contributed nearly 13 percent to gross domestic product (GDP).

The world economy entered a severe recession in late 2008. This recession affected industry around the world, including New Zealand's agriculture and forestry sectors. Demand for many of New Zealand's agricultural and forestry export products has declined. However, a large and swift depreciation of the New Zealand dollar against the United States dollar softened the immediate impact for New Zealand's agricultural and forestry exporters.

Prices for dairy products on international markets fell dramatically during 2009, to return to levels considered normal before the price rises of 2007 and 2008. These falls outpaced the depreciation of the New Zealand dollar and resulted in farm-gate dairy prices well below those anticipated 12 months earlier. When international markets begin to recover from the recession, demand for dairy products is expected to resume a steady rate of expansion, supporting higher prices.

Worldwide, lamb and venison schedule prices surged during 2008/09, due to a fall in supply. Beef and wool prices merely held their ground in New Zealand-dollar terms, with significant price falls being recorded overseas. However, improvements were achieved by sheep and beef farmers through improving management practices, introducing new livestock sires, and using better plant cultivars.

The horticulture industry escaped the worst of the economic recession. The summer and autumn of 2009 saw generally good harvests of grapes, pipfruit, and vegetables. Kiwifruit volumes were up, despite a hailstorm affecting some localities during harvest in 2009.

Current situation and trends

Rural produce from farming and horticulture makes up more than half of New Zealand's merchandise exports. Uniquely among developed countries, New Zealand farmers are almost totally exposed to world market forces. They receive no subsidies from the government and compete with subsidised production from other countries.

Table 18.01

Farm types ⁽¹⁾		
By number and area		
At 30 June 2007		
Farm type ⁽²⁾	Number	Total land (hectares)
Sheep/beef cattle	7,554	5,126,863
Sheep (specialised)	7,395	3,275,670
Dairy cattle	11,400	1,962,724
Forestry	4,863	1,849,897
Beef cattle (specialised)	13,761	1,445,830
Deer	1,581	364,473
Grain/sheep and grain/beef	531	118,229
Other grain	609	111,606
Vegetables (outdoors)	1,047	89,379
Other crops nec	1,269	88,581
Grapes	1,650	56,655
Horses	1,896	46,505
Other livestock nec	768	33,503
Kiwifruit	2,244	26,552
Apples and pears	711	18,642
Pigs	327	17,481
Other fruit and tree nuts	1,602	14,836
Nursery production (outdoors)	798	9,684
Poultry (eggs)	153	6,550
Vegetables (under cover)	462	6,495
Stone fruit	360	6,283
Berry fruit	246	5,971
Citrus fruit	327	4,843
Olives	438	3,090
Floriculture (outdoors)	330	2,121
Floriculture (under cover)	267	1,376
Nurseries (under cover)	219	821
Other	531	6,240
Total	63,336	14,700,897

(1) Figures may not add to totals due to rounding.

(2) Farm types are classified according to the Australian and New Zealand Standard Industrial Classification 2006.

Note: nec not elsewhere classified.

Source: Statistics New Zealand

The agreement on agriculture from the General Agreement on Tariffs and Trade Uruguay Round imposes progressive reductions on subsidies that other countries can give to agricultural production and exports. One effect of this has been to increase access opportunities for New Zealand's exports into overseas markets. The current Doha Development Round, under the auspices of the World Trade Organization, hopes to eventually deliver further trade benefits to New Zealand.

New Zealand's total milk production (including domestic-market milk) for the season to 31 May 2009 was 1.4 billion kilograms of milk solids. This was up 9.8 percent on the previous season, due to recovery from a severe drought in 2008 and increased milking cow numbers. There were 4.3 million milking cows at 30 June 2008, up 4.3 percent from the previous year.

The cooperatively-owned dairy company Fonterra collected 91.8 percent of the total milk solids from New Zealand dairy farms; the remainder was collected by several smaller dairy companies. Under the regulatory requirements of the Dairy Industry Restructuring Act 2002, to foster competition in New Zealand, Fonterra supplied 441 million litres of milk to other companies during the year ending 31 May 2009. This was about 3 percent of the 14,764 million litres Fonterra collected from their suppliers.

Payment for milk is by kilogram of milk solids (kgMS). The average payout to farm suppliers for their milk solids production in the year ending 31 May 2009 was estimated at \$5.17 per kgMS, down 32.0 percent from the previous year's record payout of \$7.64 kgMS. Booming commodity prices collapsed with the onset of the global economic recession in 2008.

Image removed due to copyright issues

The New Zealand Herald

New planting and fences have been created beside a waterway on a dairy farm at the foot of Mt Taranaki. A riparian management programme for the region aims to fence and plant along most of Taranaki's waterways. Fences stop cattle directly polluting the water, and plants filter fertiliser run-off.

An industry levy is deducted from the payout to farmers. The levy funds research and innovation in the dairy industry and is administered by DairyNZ. The levy rose from 3.4 to 3.6 cents per kgMS from 1 June 2009.

The total number of sheep was estimated to be 34.1 million at 30 June 2008 (down from 38.5 million in 2007). Sheep meat production for the year ending 30 September 2008 was 598,000 tonnes, up 4.4 percent from the previous September year.

For the year ending June 2009, wool exports earned \$570 million for New Zealand, down from \$613 million for the previous June year. In 2009, export volumes fell 14.0 percent (to 127,000 tonnes) compared with the year ending June 2008, largely due to the 11.0 percent fall in the number of sheep.

The New Zealand beef cattle herd was estimated at 4.1 million at 30 June 2008 (down from 4.4 million the previous year). Beef and veal production increased 1.8 percent (to 635,000 tonnes) for the year ending 30 September 2008.

Deer numbers fell to an estimated 1.2 million at 30 June 2008, down from 1.8 million in 2004, when deer numbers peaked. There were 600,000 breeding hinds on farms in 2008, one-third fewer than the high of 900,000 recorded in 2002.

Agricultural organisations

New Zealand remains a world leader in agricultural research, reflecting the importance of agriculture to the country. A broad range of administrative and special interest organisations are found in the sector.

Ministry of Agriculture and Forestry Te Manatū Ahuwhenua Ngāherehere (MAF) has a mission to 'enhance New Zealand's natural advantage'. Its purpose is to lead the protection and sustainable development of biological resources for all New Zealanders. The organisation employs about 1,400 staff nationally.

MAF's key operational areas include:

- MAF Policy – provides policy advice and delivers services to help create prosperous, sustainable, and innovative agriculture, food, and forestry sectors. These sectors support a vibrant and healthy New Zealand society, environment, and economy.
- Biosecurity New Zealand – leads New Zealand's biosecurity system. It identifies and manages any potential biosecurity risks at the border, and provides domestic and offshore technical inspection and clearance services. It also has international trade and animal welfare responsibilities.
- Crown Forestry – manages the Crown's interest in commercial forests and forestry-related leases.

Meat & Wool New Zealand is funded by livestock producers through levies on all beef and sheep slaughtered. This income is used primarily to increase preference for New Zealand red meat internationally and domestically, to maintain and extend trade access for New Zealand red meat, and to fund research and development to provide ways to help improve New Zealand farm returns.

Federated Farmers is New Zealand's leading rural sector organisation. It represents over 26,000 farmers and farm workers and is the largest independent representative of New Zealand's farmers. Federated Farmers is democratically accountable to its farmer members and is voluntarily funded. Members drive the organisation's policy. Their views are canvassed by staff and elected representatives who formulate submissions that help local and central government decision making.

DairyNZ represents the interests of New Zealand's dairy farmers. Funded by a levy on milk solids and through government investment, its purpose is to secure and enhance the profitability, sustainability, and competitiveness of New Zealand dairy farming. DairyNZ does this by leading innovation in world-class dairy farming and by working in the best interests of New Zealand's dairy farmers.

AgResearch is New Zealand's largest Crown research institute (CRI), with acknowledged expertise in biological science. It has a key role in boosting the productivity of New Zealand's bio-dependent economy. AgResearch aims to create wealth for New Zealand, value for customers, and health and well-being for consumers through science-based discovery, product development, and commercialisation.

Plant & Food Research was formed in December 2008 through the merger of HortResearch and Crop & Food Research, two CRIs. With over 900 staff based across New Zealand and in Europe, the United States, and Australia, Plant & Food Research provides research and development that adds value to fruit, vegetable, crop, and food products. Plant & Food Research underpins the growth of plant and marine-based industry in New Zealand and offshore through successfully applying and commercialising research-based innovation.

The **New Zealand Food Safety Authority** Te Pou Oranga Kai o Aotearoa (NZFSA)'s role is to protect consumers by providing effective regulation that covers food produced and consumed in New Zealand, and imported and exported food-related products.

Countries cooperate on agricultural greenhouse gas emissions

The Global Research Alliance was launched in December 2009 at the climate change talks in Copenhagen. New Zealand joined 20 other countries to bring together public and private researchers to work on reducing agriculture's greenhouse gas emissions while ensuring food production meets the demands of the world's growing population.

The diverse range of countries signed-up covers both developed and developing nations. Some of the world's largest economies, including the United States and Germany, and important players such as India, will work together to reduce emissions from livestock, cropping, and rice production.

Other founding member countries are Australia, Canada, Chile, Colombia, Denmark, France, Ghana, Ireland, Japan, Malaysia, Netherlands, Spain, Sweden, Switzerland, United Kingdom, Uruguay, and Viet Nam.

The alliance will focus on building partnerships among researchers to identify knowledge gaps and develop new knowledge and technologies that can be transferred to farmers.

Results should include cost-effective and accurate ways of measuring greenhouse gas emissions and carbon stored in soil, farming practices that reduce emissions, and farming methods that sustain yields while mitigating agriculture's effect on climate change.

Globally, 14 percent of greenhouse gas emissions come from agriculture, but as food demand increases so will this percentage.

In New Zealand the figure is about 48 percent, with methane from livestock contributing around two-thirds of this, and nitrous oxide from animal waste and the use of nitrogen fertiliser one-third.

In March 2010, the New Zealand Greenhouse Gas Research Centre opened in Palmerston North. It will be the point of contact for the Global Research Alliance.

Source: New Zealand Government

Bees love diversity

Image removed due to copyright issues

Landcare Research

Bee sits on rata flower.

The honey bee is in trouble. Pests such as the varroa mite are attacking hives, but a lack of diversity in floral plant species is also contributing to the problem. Key to bee health is an ongoing supply of pollen and nectar from different flower sources.

Healthy bees are essential to keeping farming profitable. About \$3 billion of New Zealand's gross domestic product is directly attributable to intensive pollination of horticultural and specialist agricultural crops – by bees. They also support the meat industry by pollinating clover, a nitrogen-regeneration source for pasture.

Both farmers and New Zealand's economy need bees, and bees need food.

In November 2009, Federated Farmers, supported by Landcare Research, launched Trees for Bees, a programme that encourages farmers to choose bee-friendly trees and shrubs when planting on waterway margins, windbreaks, field edges, and along roadsides.

The programme includes lists of recommended plants for 10 different regions. By consulting their regional list, farmers can find which native and non-native species are best-suited to their conditions and will attract the bees throughout the year. For example, in Southland matagouri and horoeka contribute food from October to April; in Northland hinau and North Island broom do, with pohutukawa providing a treat for two months around Christmas.

Some plants suited to bees double as shelter or erosion control plants, which makes additional economic sense of being bee-friendly. Invasive pest species are not included in the lists despite many having profuse flowering.

The lists are popular and are available on the Federated Farmers website (www.fedfarm.org.nz/ourcampaigns) or by emailing Shona Sluys at [Federated Farmers \(ssluys@fedfarm.org.nz\)](mailto:ssluys@fedfarm.org.nz).

Source: Federated Farmers; Landcare Research

To do this, NZFSA must implement a food regulatory programme that meets New Zealand's needs for the foreseeable future – accounting for rapidly shifting consumer behaviour and expectations, changing food production and distribution systems, and dealing with new and emerging pathogens and risks.

NZFSA administers the Food Act 1981, the Agricultural Compounds and Veterinary Medicines Act 1997, the Animal Products Act 1999, and the Wine Act 2003. It is the controlling authority for imports and exports of food and food-related products. The authority employs about 500 people, and has an operating budget of \$96.5 million (\$62.0 million of which is recovered from industry).

Pastoral agriculture

Pastoral agriculture is practised throughout New Zealand. In the North Island, beef cattle farming dominates in Northland, dairying in the Waikato and Taranaki, and sheep farming (with cattle in the hills) in Gisborne, Hawke's Bay, and the southern part of the North Island.

In the South Island, sheep farming (both intensive and extensive) is the main form of pastoral agriculture, with a sprinkling of beef cattle farmed in the high and hill country, and on wetter flat areas. An increasing amount of dairying is carried out on the flat land of Canterbury, Otago, and Southland, particularly in areas where irrigation is available.

New Zealand livestock are predominantly grass-fed, but feeding of natural grass-based and maize supplements, such as hay (from pasture) and silage (from grass and maize), occurs in winter and during very dry periods. Grass growth is seasonal, is largely dependent on location and climatic fluctuations, peaks in the spring, and is at a minimum in winter.

Feed surpluses are harvested and stored for feeding-out during winter or in times of feed shortages.

Livestock are grazed in paddocks, often with movable electric fencing, which allows rotation of grazing. Lambing and calving are carefully managed to take full advantage of spring grass growth.

Livestock numbers and types

Probably New Zealand's best known statistic is that it once had more than 20 times as many sheep as people. However, by 30 June 2008 the ratio was eight sheep for every one person.

Climatic conditions, soil type, type of stock carried, and land contours determine stocking rates for New Zealand farms. Land used for finishing (fattening before processing) sheep and beef carries 11–12 stock units per hectare in both islands, while South Island high country farms average around one stock unit per hectare. An average dairy farm carries 2.8 cows per hectare at peak milk production.

Trends in livestock numbers are largely determined by world market prices for farm products, including meat, wool, and dairy.

The sheep population has declined from 70.3 million at 30 June 1982 to an estimated 34.1 million at 30 June 2008. The beef cattle population was 4.1 million at 30 June 2008. There were 5.6 million dairy cattle, up 2.6 million on the 30 June 1982 total. The total number of deer was 1.2 million in 2008, compared with just 200,000 in 1982.

Sheep Lamb prices in the year ending 30 June 2009 saw a 42 percent increase on the previous year – to \$81 per head. This is a dramatic increase since a decline in 2002 and is attributed to a fall in lamb numbers and rise in demand, particularly late in the season. The number of ewes fell 10 percent in June 2008 due to a severe drought that affected most of New Zealand. Fewer ewes were slaughtered in the 2009 season, indicating some farmers were moving to rebuild stocks. However, as in 2007, higher lamb slaughter weights offset this reduced number.

The wool industry continues to feel the effect of the 2008–09 global economic crisis. Wool export revenues and prices continue to fall. New initiatives have been created to tackle this issue and achieve a better outcome for the industry in 2010.

Many farmers use newly introduced breeds to achieve hybrid vigour and better meat production characteristics. Coarse wool has become a by-product of meat production.

The tariff-free quota New Zealand has with the European Union (EU) supports the meat sector, accounting for about 63 percent of lamb export revenue in 2009. The People's Republic of China has become a high-volume, low-value market for the cheapest lamb cuts.

In the year ending 30 June 2009, lamb exports amounted to 324,000 tonnes of product, valued at \$2.5 billion. The export value of mutton was \$283 million for the same period. Chilled lamb contributed 31 percent of the export value.

New Zealand lamb is exported to 99 overseas markets, with the highest-returning markets being the United Kingdom, Spain, France, and the United States.

Dairy cattle Livestock Improvement Corporation data shows that the main dairy cow breed in New Zealand is the Holstein-Friesian, followed by the Holstein-Friesian/Jersey cross, and the Jersey.

The North Island carries 80 percent of dairy herds, with 48 percent of these being located in the Waikato and Taranaki regions. The South Island has 20 percent of dairy herds, and 28 percent of all dairy cows.

Dairy exports include whole milk powder, skim milk powder, cheese, casein, butter, and other manufactured products. The New Zealand dairy industry contributed 27 percent of the \$41 billion of total merchandise export value for the year ending 31 March 2009.

New Zealand remains the world's largest exporter of dairy products. Exports to the United States, Japan, the EU, China, and the Philippines accounted for 37 percent of this export value.

Milk solids production increased 10 percent (to 1,395 million kilograms) for the year ending 31 May 2009, due to more cows and heifers and improved weather conditions in New Zealand.

Beef cattle The major traditional beef cattle breeds in New Zealand are the Angus and the Hereford. However, few farmers devote themselves exclusively to beef production. In general, raising and finishing (fattening before processing) beef cattle is done in conjunction with sheep farming. In addition, beef is produced from culled dairy cows and bobby calves.

At 30 June 2008 there were 4.1 million beef cattle, of which approximately 72 percent were located in the North Island. Of the national total, 1.2 million were beef breeding cows and heifers. In the year ending 30 June 2008, the export volume of beef and veal was 364,000 tonnes, valued at \$2.0 billion.

The world beef trade was disrupted in early 2008 when import restrictions were placed on Brazilian beef entering the EU. This opportunity increased New Zealand's beef export volumes to the EU by 180 percent, and beef export values more than doubled.

The United States is still New Zealand's biggest export market for beef, accounting for approximately 42 percent of beef exports for the year ending March 2009. Other significant destinations were the Republic of Korea, Japan, and Taiwan, which together account for 18 percent of the value of beef and veal exports.

Table 18.02

Cattle categories					
At 30 June					
Category	2004	2005	2006	2007	2008
Dairy cows/heifers in milk or in calf	4,103,318	4,120,176	4,137,696	4,167,121	4,347,657
Dairy cows/heifers not in milk and not in calf but intended for milk production	174,124	212,042	234,880	305,727	335,565
Dairy heifer yearlings and calves (including bobby)	830,389	716,423	751,790	734,671	838,753
Dairy bulls to be used for dairy breeding	44,661	38,536	45,190	53,331	56,466
Subtotal – dairy cattle	5,152,492	5,087,176	5,169,557	5,260,850	5,578,440
Beef cows and heifers	2,326,624	2,332,037	2,324,900	2,267,636	2,133,877
Bulls – all ages	911,055	869,757	915,590	871,685	768,492
Other beef cattle	1,209,720	1,221,831	1,198,645	1,254,296	1,234,503
Subtotal – beef cattle	4,447,400	4,423,626	4,439,136	4,393,617	4,136,872
Total cattle	9,599,892	9,510,802	9,608,693	9,654,467	9,715,312

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Deer Since the early 1970s New Zealand deer farming has developed to become an important livestock industry. New Zealand is the world's largest producer of farmed venison. In the year ending 31 March 2009, export revenue rose 25 percent (to \$320 million), a result of higher overseas in-market prices and a weaker New Zealand dollar.

Deer velvet prices earned \$27 million in export revenue for the year ending 31 March 2009. The increase, when compared with 2008, was due to higher export volumes outweighing falling velvet prices. Although the export market looks promising, peak demand periods for venison need to be extended and export markets diversified.

Deer farming is generally permitted in most regions, but some species may be farmed only in specified areas. Red, wapiti, and fallow deer are the main farmed species.

Goats In New Zealand, goats are farmed commercially for their milk, mohair, and meat, as well as for weed control. Goat numbers have declined in recent years, but niche markets have been developed for milk products and fibres.

Table 18.03

Sheep categories			
At 30 June			
Year	Breeding ewes and hoggets	Other sheep	Total ⁽¹⁾
	(ooo)		
1995	34,999	13,818	48,816
1996	34,392	13,002	47,394
1999 ⁽²⁾	32,234	13,446	45,680
2002	29,159	10,413	39,572
2003	29,358	10,194	39,552
2004	29,405	9,866	39,271
2005	29,549	10,330	39,880
2006	29,928	10,154	40,082
2007	28,588	9,872	38,460
2008	24,956	9,132	34,088

(1) Figures may not add to totals since estimates for sheep categories are calculated independently from total estimates.

(2) Use caution when making comparisons using 1999 data. In this year, the survey population was drawn from a different sample.

Note: Sheep numbers were not counted in 1997, 1998, 2000, and 2001.

Source: Statistics New Zealand

Figure 18.01

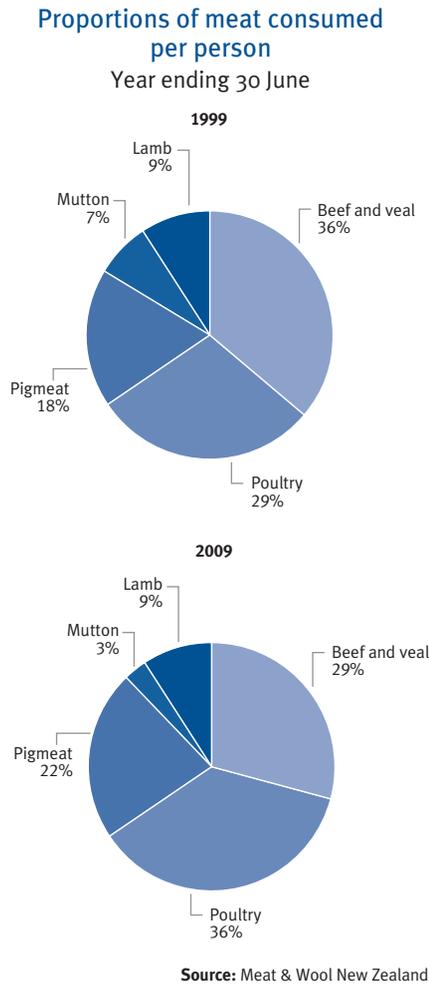


Table 18.04

Distribution of livestock

By region
At 30 June 2008

Region	Dairy cattle	Beef cattle	Sheep	Deer	Pigs
Northland	392,193	507,540	504,286	6,564	4,899
Auckland	115,883	143,366	264,979	12,240	C
Waikato	1,717,421	576,461	2,168,673	91,865	38,448
Bay of Plenty	315,183	102,682	346,445	51,995	8,055
Gisborne	16,432	287,079	1,679,670	23,261	722
Hawke's Bay	99,931	493,393	3,690,843	84,426	6,435
Taranaki	571,505	132,092	637,400	3,524	15,829
Manawatu-Wanganui	425,484	583,129	5,916,784	84,417	24,480
Wellington	103,525	140,381	1,779,247	16,871	C
Subtotal – North Island	3,757,557	2,966,122	16,988,328	375,163	124,799
Tasman	70,689	49,869	S	19,307	S
Nelson	C	1,522	8,671	C	C
Marlborough	33,544	56,859	517,526	C	C
West Coast	152,869	34,713	43,156	34,955	S
Canterbury	831,666	533,665	6,063,300	340,882	177,306
Otago	232,905	291,234	5,343,380	166,856	13,001
Southland	495,971	190,562	4,739,003	270,072	4,086
Chatham Islands	C	12,327	64,202	0	C
Subtotal – South Island	1,820,883	1,170,750	17,099,536	848,161	199,795
Total New Zealand	5,578,440	4,136,872	34,087,864	1,223,324	324,594

Note: Figures may not add to stated totals due to rounding.
Symbols: C confidential S suppressed

Source: Statistics New Zealand

Meat

Meat products are New Zealand's second-largest export income earner after dairy products, accounting for 13.8 percent of total New Zealand exports in the year ending 30 September 2009.

New Zealand's main meat exports are lamb, mutton, and beef. In the year ending 30 September 2009, New Zealand exported 92 percent of its lamb, 90 percent of its mutton, and 90 percent of its beef production. The domestic market takes all the pigmeat and poultry produced.

New Zealanders ate an average of 91.0 kilograms of meat per person in the year ending 30 June 2009, 1.2 percent less than in 1999. Between 1999 and 2009, lamb's share of total consumption was almost unchanged, mutton fell 4.0 percent, and beef and veal consumption was down 7.0 percent. Red meat consumption, at 38.3 kilograms per person, fell 21.3 percent during the decade.

Poultry consumption rose 21.8 percent from 1999 to 2009, to 32.5 kilograms, while pigmeat consumption was up 21.0 percent, to 20.1 kilograms.

Image removed due to copyright issues

The New Zealand Herald

Chef Peter Gordon and helpers prepare lamb and mutton for cooking in the hāngi (earth oven) baskets. In May 2009, his gourmet hāngi at Turangawaewae marae in Waikato celebrated Matariki (Māori new year) and raised funds for charity. Meat provided 13.8 percent of New Zealand's total exports in 2009.

New Zealand Meat Board

The New Zealand Meat Board is empowered by the Meat Board Act 2004 to establish and operate meat export quota management systems. Its responsibilities involve administration of the beef and veal tariff rate quotas granted to New Zealand as a result of the General Agreement on Tariffs and Trade Uruguay Round. This includes sheepmeat, goatmeat, and high quality beef in the EU, and beef and veal in the United States.

Schedule prices

Some meat processors publish their schedules for stock purchase prices in the weekly Agrifax publication, daily newspapers, and in company newsletters. Producers can sell their stock on schedule, on a pool account system, on the hoof, on contract, or by auction.

Season weighted average net schedules are compiled by Meat & Wool New Zealand and are shown in table 18.05. Schedule prices quoted are inclusive of pelt, slipe wool (wool retrieved from sheepskins at an abattoir or freezing works), and hide payments.

The New Zealand production season runs from 1 October to 30 September.

Table 18.05

Classification	Average net schedule prices									
	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Lamb^(a)	\$/head									
YL (9.1–13.2kg)	33.50	41.94	43.88	42.73	39.81	43.63	35.52	34.50	32.81	46.34
YM (13.3–17.0 kg)	47.48	61.99	66.76	59.93	59.15	62.68	53.27	52.14	56.91	80.55
YX (17.1–21.3 kg)	57.93	70.17	79.26	71.74	72.76	75.19	61.00	58.70	66.11	96.88
Mutton^(a)	\$/head									
MX1 (< 23kg)	25.56	39.60	47.65	43.15	41.98	42.92	36.74	34.00	32.66	45.05
MX2 (> 23kg)	29.92	47.61	57.90	54.11	52.76	54.57	47.67	42.81	40.17	55.60
Beef	cents/kilogram									
P2 Steer (270.5–295kg)	302.8	367.3	384.6	306.3	313.1	328.1	319.3	332.9	349.7	363.2
M Cow (170.5–195kg)	265.0	331.5	312.5	211.7	212.2	236.5	242.6	211.4	237.9	238.2
M Bull (270.5–295kg)	322.6	372.7	382.5	277.1	288.2	309.4	304.3	308.0	312.3	349.0

(a) Includes skin and one kilogram wool pull.

Source: Meat & Wool New Zealand

Meat production

Table 18.06 shows New Zealand's meat production volumes over the decade to 2009.

Table 18.06

Carcass type	Meat production ^(a)									
	Year ending 30 September									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 P
	Tonnes (ooo)									
Beef	552	570	554	633	686	629	620	601	610	588
Veal	20	20	22	27	24	23	23	23	25	17
Mutton	106	129	107	113	107	105	104	120	152	100
Lamb	433	434	414	433	411	438	438	453	446	382
Pigmeat	46	44	45	47	52	50	51	51	51	43
Deer	25	27	25	28	35	40	39	36	34	27
Poultry	110	119	135	143	154	163	155	153	151	104
Total	1,292	1,343	1,302	1,424	1,469	1,448	1,430	1,437	1,469	1,261

(a) Inspected meat production at meat export works and abattoirs.

Symbol: P provisional

Source: Ministry of Agriculture and Forestry; Deer Industry New Zealand

Meat & Wool New Zealand

Meat & Wool New Zealand is a levy-funded organisation that furthers the interests of New Zealand red meat and wool producers. It works to ensure that New Zealand farmers obtain the best possible long-term return on their investment.

Meat & Wool New Zealand provides funding for a number of organisations, including the Sheep and Beef Council, and provides partial funding for Beef + Lamb New Zealand, which markets to domestic consumers. Funding for Meat & Wool New Zealand had come from all New Zealand sheep, beef, and goat producers who pay a levy on all stock slaughtered and on every kilogram of wool harvested.

Farmers voted to stop levies on wool and goats from April 2010.

Reaching Britain's lamb eaters

In early 2010, Meat & Wool New Zealand launched a new campaign to promote New Zealand lamb in the United Kingdom – using the theme 'A National Obsession'.

"We know from research that British consumers love that our lamb is raised on green grass year-round and in natural farming systems," Craig Finch, Meat & Wool New Zealand's market development general manager said.

"The advertising takes a humorous view of the lengths to which New Zealand sheep farmers go in raising the world's finest free-range lamb." Advertising shows a lifeguard (renamed a lambguard) looking after sheep that are grazing beside a running stream.

The campaign to promote New Zealand lamb had a presence on television through food channel sponsorships, although the major focus was on print and online media.

"Increasingly we are using online communications to reach consumers. For instance, using consumer e-newsletters containing recipes, competitions, and tips, almost a quarter of a million British households receive information about New Zealand lamb in every issue."

The website (www.national-obsession.com) had material promoting New Zealand lamb, including recipes, webcasts by popular New Zealand chef Peter Gordon, webcasts from New Zealand farmers, and a competition.

'A National Obsession' was funded by New Zealand sheep farmer levies to keep the New Zealand lamb brand in front of British consumers.

In 2009, 73,321 tonnes of lamb worth \$656 million went into the United Kingdom – it is New Zealand's largest single market.

Source: Meat & Wool New Zealand

Sheepmeat

Lamb exports totalled 305,199 tonnes (shipped weight) for the meat export year ending 30 September 2009. This was down 23,750 tonnes (-7.2 percent) on the previous season. Sheepmeat exports to the EU were 182,963 tonnes (shipped weight) for the 2008/09 year, making the EU New Zealand's largest market, followed by North Asia (59,139 tonnes), North America (40,699 tonnes), the Middle East (33,927 tonnes), and the Pacific (23,541 tonnes).

Mutton exports in the 2008/09 year totalled 66,608 tonnes, down 30.5 percent on the previous year. The largest markets for mutton were the United Kingdom (20.3 percent), Germany (12.5 percent), and Taiwan (7.8 percent).

Under a World Trade Organization (WTO) agreement, New Zealand's sheepmeat exports to the EU in 2009 were subject to a tariff rate quota of 227,854 tonnes carcass weight equivalent.

Classification of sheepmeat Sheepmeat is classified in the following way:

- lamb – a sheep under 12 months, or one that does not have permanent incisor teeth
- hogget – a young male sheep or maiden ewe that has no more than two permanent incisors
- mutton – a female (ewe) or castrated male (wether) with more than two permanent incisors; a wether must not show any ram characteristics
- ram – an adult uncastrated male sheep that has more than two permanent incisors.

Beef and veal

New Zealand's largest market for beef and veal is North America, which took 205,226 tonnes in the 2008/09 year, up 5.6 percent on 2007/08. Beef and veal exports to the United States remained almost unchanged, at 172,700 tonnes. In 2008/09, beef and veal exports to North Asia, the second-largest market region, fell 7.3 percent on the previous season (to 88,936 tonnes).

Under WTO agreements, 213,402 tonnes (product weight) of New Zealand beef and veal may be exported to the United States annually at a tariff rate of US4.4 cents per kg on most beef products. Also under the agreements, 1,300 tonnes (product weight) of New Zealand high-quality beef may be exported to the EU annually, at a 20 percent *ad valorem* duty.

Classification of beef Beef is classified as follows:

- steers, heifers, cows, and bulls – a steer is a male bovine castrated when young. A heifer is a female bovine, with no more than six permanent incisors. Cows have more than six permanent incisors. A bull is an entire (uncastrated) bovine with masculine characteristics
- bobby calves – bobby veal carcasses are derived from milk-fed bovine calves, generally less than two weeks old
- veal – maiden female, castrated male, or entire male (not showing masculine characteristics) up to 14 months old.

Meat prices

Lamb exports to Europe accounted for 50.4 percent of total lamb exports for the 2008/09 export year. Table 18.07 shows the dollar value per shipped tonne of lamb exports to the EU. In 2008/09, the value per shipped tonne was \$10,608.

Table 18.08 gives a measure of New Zealand export beef prices derived from Meat & Wool New Zealand's weekly price series for imported manufacturing beef in the United States.

Meat exports

New Zealand beef and lamb is exported to more than 100 countries. New Zealand is a major exporter of sheepmeat and accounts for 55 percent of the world sheepmeat export trade. New Zealand's major sheepmeat markets are the EU, North Asia, and North America.

Table 18.07

Lamb exports to EU	
Year ending 30 September	
Year	(\$ per shipped tonne)
2000	6,461
2001	7,581
2002	8,330
2003	8,211
2004	8,280
2005	8,859
2006	8,283
2007	8,057
2008	8,770
2009	10,608

Source: Meat & Wool New Zealand

Table 18.08

United States beef prices		
Mid-March		
Year	Manufacturing bull	Manufacturing cow
	US cents/kg	
2000	215.9	202.7
2001	229.3	207.1
2002	245.9	239.0
2003	211.7	193.9
2004	258.0	235.7
2005	295.5	282.0
2006	273.4	260.0
2007	297.7	275.4
2008	319.7	310.6
2009	277.8	264.4

Source: Meat & Wool New Zealand

New Zealand is a smaller – but significant – player in the global market for beef, accounting for 8 percent of all world export beef trade. North America and North Asia are New Zealand's major markets for beef.

Table 18.09

Livestock slaughter					
At meat export works and abattoirs					
Year ending 30 September					
Animal	2005	2006	2007	2008	2009 P
	Number of animals (000)				
Lambs ⁽¹⁾	25,053	25,795	26,948	27,108	22,641
Sheep ⁽¹⁾	4,312	4,279	5,070	6,603	4,233
Adult cattle ⁽¹⁾	2,422	2,338	2,292	2,367	2,431
Calves and vealers ⁽¹⁾	1,380	1,389	1,369	1,507	1,421
Pigs ⁽¹⁾	765	756	741	762	691
Deer ⁽²⁾	762	711	607	598	486

(1) Includes condemned carcasses. (2) Excludes condemned carcasses.

Symbol: P provisional

Source: Ministry of Agriculture and Forestry; Deer Industry New Zealand

Table 18.10

Meat exports					
Year ending 30 September					
Meat	2005	2006	2007	2008	2009
	Shipping weight (tonnes)				
Lamb	301,759	311,641	331,081	328,949	305,199
Mutton	59,156	57,004	69,530	95,897	66,608
Beef	374,264	361,089	340,878	351,375	352,250
Bobby veal	15,943	11,891	11,521	11,854	11,399
Goat	1,152	1,079	985	895	826
Variety meats and other	67,872	64,612	65,671	71,801	62,698
Total	820,146	807,316	819,667	860,770	798,980

Source: New Zealand Meat Board; Meat & Wool New Zealand

Wool

New Zealand sheep are largely dual-purpose, wool and meat animals, and their wool is predominantly strong wool.

New Zealand is the world's largest producer of crossbred (strong) wool, which is used mainly for interior textiles such as carpets, upholstery, furnishings, bedding, and rugs. Strong wool is also used for hand-knitting yarn, knitwear, and blankets. It is estimated that 42 percent of New Zealand wool is used in machine-made carpets, and 10 percent in hand-knotted and hand-tufted carpets. The rest is used primarily for upholstery and bedding. Uses vary markedly among importing countries.

Wool production

New Zealand's sheep flock is the sixth-largest in the world, but the country's total wool fibre production ranks third-highest – with Australia first and China second on a clean-weight basis. This is due to the high clip-yield per head, and lower quantities of grease and other contaminants in New Zealand wool.

Table 18.11

Export destinations for New Zealand wool					
Year ending 30 September					
Region	2005	2006	2007	2008	2009
	Clean tonnes				
European Union	57,705	59,219	57,666	49,056	35,354
Northern Asia	35,651	43,508	38,550	45,196	47,397
Southern Asia	19,805	20,318	21,627	17,259	15,847
Pacific	8,489	6,590	6,296	5,969	4,850
Mediterranean	3,272	4,742	5,511	3,366	2,066
Middle East	4,950	5,209	4,579	5,443	3,740
North America	5,470	4,723	3,984	4,388	2,519
Eastern Europe	558	1,663	1,308	1,056	625
Africa	967	900	690	917	755
South America	129	94	209	460	405
Western Europe	161	351	166	161	265
Total	137,157	147,317	140,586	133,271	113,823

Source: Meat & Wool New Zealand

Table 18.12

Wool production					
Year ending 30 June					
Year	Flock size (million)	Slip ⁽¹⁾ greasy (Tonnes 000)	Shorn greasy (Tonnes 000)	Total greasy (Tonnes 000)	Shorn greasy yield (kg/sheep)
2005	39,271	28.4	187.1	215.5	4.76
2006	39,880	25.5	199.0	224.5	4.99
2007	40,098	29.8	187.7	217.5	4.68
2008	38,460	30.5	175.2	205.7	4.56
2009	34,088	25.1	132.4	157.5	3.80

(1) Slip is the wool retrieved from sheepskins.

Source: Meat & Wool New Zealand

Farming is more than sheep and cows

Travellers who develop a taste for exotic foods or flavours now have an increasing chance of finding a home-grown supplier on their return.

In 2006, two Hawke's Bay families began farming **snails** for the restaurant market and interested home consumers. The snails 'grow' on pesticide-free brassicas, plantain, and fresh vegetables. Before they are processed for the market they are moved to a diet of organic bran to cleanse their systems.

Further north, in Clevedon, **water buffalo** are farmed for the milk that produces white mozzarella balls, ricotta cheese, and yoghurt.

In Canterbury there are plans to farm **buff weka** (a woodhen) reintroduced from the Chatham Islands. But Department of Conservation permission is needed to farm the native bird that disappeared from the South Island in the 1930s.

Truffles are edible fungi that are now grown in over 100 places around New Zealand, in both main islands. In the early 1990s the first black truffles in the Southern Hemisphere were found five years after planting.

Waikato is home to another high-value product – **oolong tea**. After 13 years of preparation, a Taiwanese family saw its product launched into the global market in late 2009. Oolong tea is hand-picked and can fetch up to \$11,000 per kilogram in Taiwan.

On the West Coast, acidic soil and a high rainfall provide ideal conditions for **cranberries** to grow. So far the harvested fruit has been sold fresh, but there are plans to begin processing fruit for juice as well.

Since 1995 Hawke's Bay farmers have been growing **saffron**, a sought-after spice that is harvested from saffron crocus flowers. The area's cold winters and hot summers make ideal growing conditions for producing the world's most expensive spice, a delicate and richly coloured condiment for food. Central Otago's climate also works for saffron, and is the home of a network of 45 growers.

Vanilla is a tropical crop that now also grows in a greenhouse in Tauranga, thanks to geothermal heating. Though it's unlikely to ever be more than a research crop in non-tropical New Zealand, the first harvest was made in 2009.

Source: Statistics New Zealand

Image removed due to copyright issues

Otago Daily Times

Nathan Stratford won the open shearing title at the New Zealand fine wool championships at Alexandra in October 2009. While private-sale merino prices rose in 2008/09, crossbred wool prices generally fell when the global recession led to manufacturers going out of business and demand drying up. Many farmers chose to store their wool in anticipation of prices rising again.

Wool marketing

In the year ending 30 June 2009, the proportion of shorn wool production sold at auction was 49 percent, while 51 percent was sold by private treaty.

On a clean basis, shorn-wool sales totalled 96,805 tonnes (excluding slipe, the wool retrieved from sheepskins) in the year ending 30 June 2009. Sales consisted of 88 percent crossbred wool, 8 percent merino, 2 percent mid-micron wool, and 2 percent dag wool (wool clotted with dung, shorn from the hindquarters).

The shorn-wool price for 2008/09 was up 2.2 percent on the previous year. This increase was driven by private sale prices rising 7.4 percent, with merino and mid-micron wool prices up 10.8 percent and 5.1 percent, respectively. Private sale crossbred wool prices fell 0.5 percent. Overall, auction prices were down 1.4 percent for the year. Merino auction prices were down 18.6 percent, mid-micron wool was down 13.7 percent, and crossbred wool, the majority auctioned, was down 2.2 percent.

Wool export earnings

Raw wool and wool product export receipts decreased from \$874 million in the year ending 30 September 2008 to \$739 million in the 2009 year.

Raw wool exports decreased 10 percent (from \$612 million to \$551 million), largely due to a 15 percent fall in the volume of exports that was partly offset by a 5 percent rise in export prices.

For the year ending 30 September 2009, Northern Asia took 42 percent of New Zealand's wool exports, with the majority (88 percent) destined for China. Exports to China were up 7 percent on the previous year. The European Union was the second-largest destination region, taking 31 percent.

Table 18.13

Wool export earnings						
Year ending 30 September						
Product	2004	2005	2006	2007	2008	2009
	\$(million) fob ⁽ⁱ⁾					
Raw wool	726.1	662.9	685.4	655.1	611.8	550.5
Tops, yarns, and sliver	131.1	137.2	141.2	131.0	150.4	92.2
Carpets and rugs	138.0	132.6	129.9	108.8	75.3	69.6
Other final woollen products	46.4	43.7	40.8	43.3	36.6	26.4
Total	1,041.6	976.4	997.3	938.2	874.1	738.7

(i) Free on board at point of loading.

Note: Figures may not add to stated totals due to rounding.

Source: Meat & Wool New Zealand

Dairy produce

Dairy products valued at \$11.57 billion were 27 percent of the value of New Zealand's total merchandise exports in the year ending 31 December 2008. Apart from milk and other dairy products used for domestic consumption, the dairy industry is primarily geared towards overseas markets, which account for approximately 95 percent of all milk produced. Four major product groups are manufactured from liquid whole milk by New Zealand dairy factories:

- milk powders, such as whole milk powder, skim milk powder, and buttermilk powder
- cream products, such as butter, anhydrous milk fat, and ghee
- cheese
- milk protein products, such as casein and caseinates.

Liquid whole milk can be broken down into three chief components: milk fat, solids-non-fat (principally protein), and water. Whole milk powder is manufactured directly from the liquid whole milk, without separation of the cream. Skim milk powder is made from skim milk after the cream (milk fat) has been separated from the liquid whole milk. Buttermilk powder is made from buttermilk, a by-product of the butter manufacturing process.

Most butter produced is of a 'sweet cream' type, and anhydrous milk fat and ghee are further refinements of butter. The predominant cheese variety manufactured in New Zealand is cheddar or cheddar type, although speciality cheese manufacturing has shown considerable growth in recent years. Milk proteins are derived from the by-products of skim milk, and also from the by-products of other dairy product manufactures such as cheese.

Dairy organisations

At the end of the 2008/09 dairy season (31 May 2009), collecting and processing of most of New Zealand's milk was being carried out by three cooperative dairy manufacturing companies and three recently-established independent dairy processors.

Cooperative dairy companies are governed by boards of directors elected by supplying farmers, with provision for appointing a small number of non-farmers noted for their commercial expertise. The cooperatives use funds supplied as share capital by their farmers.

The cooperative dairy companies produce over 90 percent of dairy products manufactured in New Zealand. The companies convert approximately 16 billion litres of milk into over 2 million tonnes of dairy products annually, 95 percent of which is exported. The balance is consumed in the domestic market.

The **Dairy Companies Association of New Zealand** was formed in 2003 by New Zealand's leading dairy companies. Its membership includes Fonterra Co-operative Group, Tatua Co-operative Dairy Company, Westland Milk Products, Goodman Fielder, Open Country Dairies, New Zealand Dairies, and Synlait Ltd. It represents the joint interests of New Zealand dairy companies on domestic and international policy issues, a role previously undertaken by the New Zealand Dairy Board before deregulation of the industry in 2001. The general activities of the association are funded by membership subscription, with special activities funded according to a proportional formula.

Fonterra Co-operative Group is New Zealand's largest company. It earned NZ\$16 billion from local and international sales of dairy commodities, ingredients, and branded consumer products in the year ending 31 July 2009.

Fonterra accounts for approximately 25 percent of New Zealand's total export returns. The group has 15,600 employees globally, and operates in more than 100 markets.

The cooperative is owned by 10,500 New Zealand dairy farmers, who supplied 14.8 billion litres of milk in the 2008/09 season. Milk is paid for on a per kilogram of milk solids (kgMS) basis. For the 2008/09 year, Fonterra paid out \$6.4 billion to farmers, at \$5.20 per kgMS. For the same period, Fonterra's total ingredients sales volume was 2.3 million tonnes – including milk sourced and processed in other regions.

Farm aims to reduce greenhouse gas footprint

Waikato's Tokanui dairy research farm is aiming for a 20 percent lower greenhouse gas (GHG) footprint than the average New Zealand dairy farm.

The AgResearch farm has minimising and mitigating GHG emissions as a research focus and will make key measurements in 2010 to ensure the farm is meeting this target.

A report in 2009 determined a base for measuring the 'cradle-to-farmgate' footprint for milk production, looking at the impact of the farm, its outputs, cow emissions, and all farm processes. The footprint was estimated at 740g of carbon dioxide equivalent per litre of milk. For the average dairy farm the figure was 900g.

The smaller footprint at Tokanui is attributed to the higher milk solids production per cow, and per hectare, and the lower rate of nitrogen fertiliser application.

"The future of New Zealand dairying and a significant proportion of export income depends on ... increasing on-farm efficiency and lowering GHG emissions ... this is an excellent start," AgResearch scientist Dr Stewart Ledgard said.

Source: AgResearch

Fonterra has four business segments defined by product type and geographic area, which reflects how the business is managed. These are:

- commodities and ingredients – includes Fonterra Ingredients, global trade, and supply and manufacturing businesses
- Australia/New Zealand – Fonterra's operations in Australia and New Zealand, include businesses marketing brands such as Mainland, Anchor, Anlene, Tip Top, and Brownes
- Asia/Africa Middle East – Fonterra's operations in Asia, Africa, and the Middle East
- Latin America – this is principally the 99.8 percent-owned Soprole in Chile and Fonterra's equity accounted investments in the Dairy Partners Americas joint venture, which cover consumer and manufacturing businesses in Brazil, Ecuador, Venezuela, Argentina, and Colombia.

Image removed due to copyright issues

Fonterra also has a number of global joint ventures. These include those with Nestlé in South America, Dairy Farmers of America in the United States, and Campina in DMV Fonterra Excipients, a global manufacturer of pharmaceutical lactose.

Westland Milk Products is an independent cooperative dairy company owned by 324 farmer shareholders. It is located in Hokitika, on the west coast of the South Island. The company processes more than 470 million litres of milk annually into a diverse range of dairy ingredients for nutritional, food, and beverage applications. The products include milk powders, milk fat products (butter and anhydrous milk fat), and milk protein products (casein, milk protein concentrate, and whey protein concentrate), as well as colostrum powder. The products are marketed both nationally and internationally.

Otago Daily Times

Cows feed from a wintering shed on the South Otago dairy farm run by Stephen and Rhonda Korteweg. The couple run an intensive dairy farm that won a supreme environment award in 2009 – showing dairying could have a minimal impact on the environment. At the start of winter the Kortewegs move their cows from paddocks into the shed, which avoids damage to the soil and river and having feed trampled into the ground.

Tatua Co-operative Dairy Co Ltd is an autonomous, independent dairy company in the Waikato and is owned by 112 farmer shareholders. The company was established in 1914 and is the only dairy cooperative remaining in New Zealand that has never been part of an amalgamation. Tatua's factory is at Tatuani, east of Hamilton. The company has six business units:

- consumer products – includes aerosol whipped creams and dessert toppings, UHT flavoured milks, creams, sauces, and aerosol cheese
- foodservice – products for the food service industry include whipped cream, bag-in-box bakery creams and cheese sauce blends, and soft serve and ice cream liquid pre-mixes
- bionutrients – specialises in the manufacture of purified proteins and peptones (casein and vegetable), customised for biopharmaceutical applications. Products are manufactured either as spray-dried powders or as UHT concentrated liquids
- specialty nutritionals – products include a variety of protein hydrolysates, bioactive proteins and peptides, which are suitable for sport and enteral (intestinal) nutrition, infant formulae, meal replacement, and mineral supplementation
- flavours – specialist dairy-flavour ingredients for the global food and beverage industry; includes cream, milk, butter, and cheese flavours, available in both paste and powder form
- ingredients – dairy ingredients for use in global food manufacture; includes whey protein concentrates, anhydrous milk fat, and caseinates. Caseinates include calcium, sodium, magnesium, potassium, and mixed caseinates.

Open Country Dairy Ltd is a private company that is a dairy ingredient manufacturer, producing a range of high and consistent quality milk products. Open Country Dairy has three manufacturing sites at Awarua, Waharoa, and Wanganui. Their combined capacity is 800 million litres of milk each year, which is sourced from over 500 dairy farms in these regions.

Open Country manufactures dairy ingredients that can be used in food, beverage, and nutritional applications. Products include milk powders (whole, vitamin-enriched, instant, and skim), cheeses (cheddar, colby, gouda, edam, havarti, and kahui), whey protein concentrates, and anhydrous milk fat.

Open Country-branded products have been exported since 2004 and the company now exports to around 45 countries worldwide.

Overseas marketing

New Zealand's dairy industry is primarily geared towards overseas markets, where 95 percent of all milk solids produced are sold. However, the international market for dairy products is small in size, relative to total world milk production. Only 7 percent of total world production is traded internationally.

Because of this, the market is especially vulnerable to shifts in climatic, commercial, and political forces. Minor changes in production by major producers can trigger large shifts in supplies of, and prices for, products on the international market.

The major dairy exporters are the European Union, New Zealand, the United States, Australia, and to a lesser extent Latin American countries including Argentina and Brazil. These six exporters supply around 90 percent of dairy products traded on the international market.

In the year ending 31 December 2009, the United States, Japan, China, Australia, and South-East Asia were New Zealand's most valuable destination markets for dairy produce.

Pigs, poultry, eggs, and bees

Pigs

In the year ending 30 September 2009, 690,692 pigs were slaughtered at registered abattoirs. The average carcass weight of 67.7 kilograms was a slight increase on 2008, when the average weight was 67.4 kilograms.

Each person consumed an average of 20.1 kilograms of pigmeat in 2009, down 0.6 kilograms on 2008. The demand for 86,301 tonnes of pork in the domestic market (down 2.0 percent on 2008) was fulfilled through 46,765 tonnes of local production and 39,536 tonnes being imported.

New Zealand Pork is the operational name of the New Zealand Industry Board, a statutory body operating under the Pork Industry Board Act 1997. New Zealand Pork's mission is to help producers make 'more profit from pork'. In achieving the goal, the organisation focuses its investments in five key areas: growing demand for New Zealand pork, increasing on-farm productivity, improving value chain effectiveness, securing industry sustainability, and developing industry capability.

Board income comes from a levy on pigs slaughtered at licensed premises. The board has five directors – four are elected by producers and one is appointed by the government.

Poultry

New Zealanders consume approximately 33 kilograms of chicken meat per person per year. In 2008, the New Zealand poultry industry produced over 142,000 tonnes of chicken meat from 81 million chickens. About three-quarters (75.8 percent) of all chicken sold is fresh chicken, with the remainder being frozen. The current poultry production and consumption levels appear to have stabilised over the last two years.

The four largest poultry meat producers in New Zealand, which produce over 99 percent of poultry meat, are Tegel Foods Ltd, Inghams Enterprises (NZ) Pty Ltd, PH van den Brink Ltd, and Turks Poultry Ltd.

The New Zealand poultry industry is unique in that it is largely dominated by chicken. Other countries have a heavier emphasis on other poultry species, such as turkey or duck, but chicken's market share in New Zealand has not slipped below 96 percent in the decade to 2008.

The **Poultry Industry Association of New Zealand** (PIANZ) represents the interests of the poultry processing and breeding companies in New Zealand. Membership is voluntary, but over 99 percent of the country's production is represented by PIANZ.

PIANZ promotes and protects the interests of its members by liaising with government and government departments, and securing representation before boards, committees, and commissions constituted under acts or regulations of the government. PIANZ's other roles include coordinating research and development related to the industry, generic promotion of poultry meat, livestock breeding and development, technical training related to the industry, collecting and circulating technical information and statistics, and general public relations.

Eggs

New Zealand currently has around 130 commercial egg producers, with the largest 20 producers accounting for over 80 percent of total production. With an estimated flock of 3.2 million laying hens, 77 million dozen eggs were produced in 2008 – 924 million eggs in total.

Total egg production in New Zealand has slowly risen over the past decade, due to an increase in demand. In 2008, New Zealanders consumed an average of 227 eggs per person – higher than in Australia, Canada, Brazil, and the United Kingdom.

The **Egg Producers Federation of New Zealand** represents the interests of all commercial egg producers. Membership is mandatory under the Commodity Levies (Eggs) Order 2004 – any person or organisation purchasing 100 or more day-old layer chicks automatically becomes a member. The federation is funded by a levy incorporated into the price of the chicks, and is paid on chicks aged up to five days when they are sold for the first time. The majority of the federation's levy (75 percent) goes towards funding Eggs Inc – an organisation responsible for egg promotion.

Bees and beekeeping

Honey bees have been kept in New Zealand for over 170 years, and in that time beekeeping has moved from being a home craft to a progressive industry. New Zealand is now recognised as one of the most advanced beekeeping countries in the world.

Mary Bumby, sister of an English missionary, was the first person to successfully ship honey bees to New Zealand when she brought two basket hives (skeps) of bees into Northland in 1839. More than 100 years later, in 1950, beekeeper numbers peaked at 7,000, although they collectively owned only about 150,000 hives, or less than half of today's number.

During the late 1970s and early 1980s, there were large changes in the beekeeping industry. The centralised Honey Marketing Authority ceased operation, and private individuals and companies began exporting honey products. The number of hives rose more than 50 percent to 335,000, spurred on by demand for paid pollination services, especially from the kiwifruit

Table 18.14

Pig numbers			
At 30 June			
Year	Breeding sows and mated gilts	Other pigs of all ages (including boars)	Total pigs
1995	59,250	371,755	431,005
1996	57,065	367,009	424,074
1999	60,626	308,261	368,887
2002	46,706	295,309	342,015
2003	49,381	327,868	377,249
2004	48,453	340,187	388,640
2005	42,598	298,867	341,465
2006	43,306	312,195	355,501
2007	46,911	319,760	366,671
2008	42,627	281,967	324,594

Note: Pig numbers were not counted in 1997, 1998, 2000, and 2001.

Source: Statistics New Zealand

Table 18.15

Chicken production				
Year ending 31 December				
Year	Birds (ooo)	Dressed weight (tonnes)	Percent	
			Fresh	Frozen
1999	63,945	100,085	70.7	29.3
2000	67,067	108,929	71.2	29.0
2001	69,361	115,786	73.7	26.3
2002	77,357	130,519	73.4	26.6
2003	80,728	138,697	75.4	24.6
2004	87,570	151,497	77.1	22.9
2005	88,766	154,982	80.0	20.0
2006	83,214	144,634	78.3	21.7
2007	85,023	149,970	75.6	24.4
2008	81,007	142,167	75.8	24.2

Source: Poultry Industry Association of New Zealand

Table 18.16

Beekeepers, apiaries, hives, and honey production				
Year ending 31 December				
Year	Bee keepers	Apiaries	Hives	Honey production (tonnes)
	Number			
1999	4,914	21,793	302,988	9,069
2000	4,956	22,443	320,113	9,609
2001	4,539	21,304	314,094	9,144
2002	3,973	20,258	305,152	4,682
2003	3,596	20,153	300,841	12,252
2004	3,211	19,592	292,530	8,888
2005	2,743	19,115	297,605	9,689
2006	2,694	18,954	300,728	10,423
2007	2,602	19,228	313,399	9,666
2008	2,568	20,722	350,538	12,375

Source:ASUREQuality Ltd

Getting the best from both worlds

Best of Both Worlds is a research programme that integrates western science and mātauranga Māori (traditional Māori knowledge), with the goal of sustainable cropping.

The programme is funded by the Foundation for Research, Science and Technology and led by scientists from Plant & Food Research, a Crown research institute. The programme focuses on the economic productivity and sustainability of Māori land – by improving understanding of how Māori communities use scientific and traditional knowledge in guiding their cropping decisions.

Best of Both Worlds involves three regional studies: Ngāti Porou (at Ruatoria/Tikitiki), Ngāti Kahungunu (at Hastings), Ngā Uri o Manawatu/Rangitikei (at Bulls). In each, scientists engage in research partnerships with a small group of leaders involved in cropping within their communities.

Mutual trust, building meaningful relationships, and developing a shared understanding of (cultural) values between scientists and community are the key factors of the integrated knowledge-transfer framework.

The framework has four stages: 'preparing the field', learning together, being flexible, and the outcomes. Central to this approach are the evaluation and relationship-building processes.

Together, local Māori and scientists have delivered agronomic outcomes that have improved the ability to crop traditionally and profitably – by using innovative tools such as cropping calendars for indigenous crops like Māori potato, kumara, Māori spinach, and sweet corn. Field trials have been developed within local communities to demonstrate and communicate new concepts (eg plastic mulching in kumara cultivation, and virus-free cultivars of Māori potatoes).

Information and knowledge are shared through workshops, regular site visits, and face-to-face meetings, along with other communication tools (hand-outs, newsletters).

Local Māori grower collectives are now established around the traditional aspects of growing food crops. These have strengthened a unique Māori tradition in horticulture while maintaining tikanga (customs) and the guardian relationship to the land.

Traditional food festivals that promote Māori produce provide opportunities to promote and celebrate ways to improve Māori land productivity – with long-lasting outcomes.

Opportunities to add further value are being explored, fed by growing consumer demand for 'something different', diversity, and healthy produce, both in New Zealand and overseas.

Source: Plant and Food Research

industry. However, the number of beekeepers has since fallen – in 2008, there were 2,568 registered beekeepers, owning 350,538 hives (see table 18.16 on previous page).

The trend for fewer beekeepers to own more hives continues. Price increases for honey and other bee products, live bees, and pollination services have helped beekeepers cope with increased costs and the loss of hives after the varroa parasitic mite arrived in 2000 (see below). Hive numbers also increased because of the favourable economics of manuka honey production. Other products such as deer velvet, bee venom, dried fruit, pollen, and royal jelly can be blended with honey to add value.

AsureQuality Ltd assessed the saleable honey crop for 2008 at 12,375 tonnes (35.0 kilograms per hive), compared with the six-year average of 10,549 tonnes (35.3 kilograms per hive).

All operators who handle, process, or store bee products, and want to export with an official assurance (export certificate), or supply product to an exporter, must operate under a risk management programme. Such programmes help assure customers that the products are fit for the purpose, and meet importing country requirements.

The industry also markets beeswax, propolis (an antibiotic gum or resin from plants), pollen, and live bees (package bees and queen bees). Package bees are ventilated containers with a kilogram of bees, a queen bee, and a food supply. The spread of bee pests and diseases in other beekeeping countries has increased the demand for bees from New Zealand. Annual exports of live bees are around 3,000–5,000 queen bees, and 25,000–30,000 x 1kg package bees, which go mainly to Canada.

Beekeepers provide a pollination service to fruit and vegetable growers, which is becoming more important as feral (wild) hives are reduced or eliminated by the varroa mite. About 100,000 hives are moved for pollination each season. The real value of beekeeping to the New Zealand economy is now in pollinating plants rather than producing apiculture products.

Manuka honey In 1992, Waikato University researchers confirmed that manuka honey was unusually effective as an antiseptic dressing for wounds and burns. As a result, the demand and price for manuka honey have risen dramatically. Some beekeepers are 'renting' large tracts of land with manuka on it, while others have entered into profit-sharing arrangements with landowners. In addition, some large exporting companies are buying beekeeping operations and even spreading manuka seed to secure their supply lines.

Varroa In April 2000, the serious bee mite *Varroa destructor* was found in Auckland; it has since spread throughout the North Island and in June 2006 the mite was found in Nelson. If not treated, the mite kills honey bee colonies.

After varroa spread outside the Nelson control area the Varroa Agency revoked the varroa pest management strategy, and all movement controls were removed in September 2008. Varroa is expected to spread throughout the South Island.

The National Beekeepers' Association This voluntary organisation is supported by fee-paying members. It represents the interests of beekeepers to government, and coordinates a national response on issues affecting the industry. The association also levies all beekeepers under the Biosecurity Act 1993, to pay for its American foulbrood pest management strategy. Another organisation, the Bee Industry Group, is a member of New Zealand Federated Farmers, and also represents beekeeping interests.

Image removed due to copyright issues

The New Zealand Herald

Ming-Hsun Yu, of Zealong Pure New Zealand Oolong Tea, makes a cup of the company's award-winning tea – grown in Waikato. In late 2009, the high-end tea was launched into the lucrative Asian market where each person drinks up to 1,200g of tea a year.

Horticulture

Although pastoral farming dominates land use in New Zealand, there have been significant increases in the areas planted in horticulture and crops. Major crops for the export market include kiwifruit, pipfruit, stone fruit, onions, squash, flowers, and berry fruit. Increasing volumes of grapes are grown for the rapidly expanding export wine market. Total investment in New Zealand's horticultural industries is approximately \$48 billion.

Table 18.17

Horticultural exports										
By value and as a proportion of total										
Year ending 30 June										
Type	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
	\$ (million)					Proportion of total (percent)				
Fresh fruit	1,189	1,140	1,200	1,340	1,584	63.6	61.3	60.4	62.3	65.6
Processed fruit	102	100	105	125	139	5.4	5.4	5.3	5.8	5.7
Fresh vegetables	199	204	260	236	227	10.7	11.0	13.1	11.0	9.4
Processed vegetables	257	285	297	307	322	13.7	15.3	14.9	14.3	13.3
Seeds and bulbs	60	71	63	86	97	3.2	3.8	3.2	4.0	4.0
Cut flowers and foliage	38	39	43	39	39	2.1	2.1	2.2	1.8	1.6
Plants and sphagnum moss ^(a)	24	19	18	17	8	1.3	1.0	0.9	0.8	0.3
Total horticultural exports	1,871	1,858	1,986	2,151	2,416	100.0	100.0	100.0	100.0	100.0

(a) Value excludes confidential data for latest period.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Grain, vegetable, and seed crops

Stock feed Animals can be grazed in open pasture in New Zealand for the full 12 months of the year. Grass that is grown in winter, except in certain favoured localities, needs to be supplemented to keep stock in good condition during the colder months. In some districts, supplementary feed is necessary in the drier summer months.

Hay and silage crops are grown almost exclusively on the farms where they are consumed. Some districts specialise in growing other supplementary feed crops, such as maize in the Waikato and Manawatu-Wanganui regions. The bulk of supplementary food, other than grass and clover, hay and silage, and maize, is grown in the South Island, since that island's colder climate necessitates more extensive supplementary feeding than is needed in the North Island.

Wheat New Zealand wheat is primarily grown for domestic human consumption. The best quality wheat is milled into flour for breadmaking. Other wheat grain is milled for biscuit manufacturing and similar uses. The by-products of flour milling, bran and pollard, are used for stock feed. Most wheat is grown in the Canterbury region.

Barley Most barley grown in New Zealand is used to manufacture stock feed and for malting. Exports of malting and feed barley fluctuate in response to price changes that reflect international supply and demand.

Maize Primarily grown in the Waikato and eastern North Island, maize grain is used as poultry feed and, increasingly, as a supplementary feed for pigs and other livestock, such as dairy cattle. Maize silage and green feed are also used as supplementary feed for cattle.

Oats Grown mainly for threshing and green feed, oats are also used to produce milled rolled oats, oatmeal, and other oaten foods. The main growing areas for oats are Canterbury and Southland.

Vegetables Vegetable growers farm over 50,000 hectares and employ 25,000 people. Many growers produce multiple crops each year, and their crop types can vary from year to year. More than 50 different types of vegetables are grown in New Zealand for fresh consumption or for processing. In recent years there has been an increase in the range and volume of Asian vegetable varieties grown for local consumption.

Total fresh and processed vegetable exports for 2008 had a value of over \$550 million. Domestic consumption is estimated to exceed \$900 million, giving a combined vegetable sector total of close to \$1.5 billion.

Japan is New Zealand's largest market for fresh vegetables, at \$84 million in 2008 (35 percent of total fresh vegetable exports). Australia is New Zealand's main market for processed vegetables (49 percent of total processed vegetable exports), at \$169 million.

In 2008, fresh vegetables valued at \$236 million, and processed vegetables worth \$317 million, were exported to 73 countries. Onions and squash dominated fresh vegetable exports, with sales values of \$92 million and \$70 million, respectively. Potatoes, sweetcorn, and peas were the main processed and frozen vegetable exports.

Seed certification AsureQuality Ltd operates a seed certification scheme covering all main herbage and arable species, and participates in the Organisation for Economic Co-operation and Development's seed scheme. New Zealand-certified seed is exported to European Union countries, countries of the Pacific Basin, and North and South America.

Community garden flourishes

Image removed due to copyright issues

Kara Renata (left) and Fairlane Kenrick tend their community's garden in Flaxmere near Hastings in Hawke's Bay.

What was once a disused rugby field is now producing corn, beans, taro, tomatoes, and kumara for the residents. The two-hectare plot was developed by Flaxmere's Te Aranga Marae and the U-Turn Trust, with advice from local horticulturists and farmers.

The garden was set up to encourage healthy eating and to build a more united community together – young and old, Māori and European.

Wellington Community Garden coordinator Sue Boyle says there are probably more than 50 community gardens around New Zealand now, with hundreds of people benefitting. She thinks the 2008–09 recession really got to people and increased interest in growing vegetables. In Wellington there are about 100 individual plots at nine sites, and Christchurch has at least five sites.

Source: The Dominion Post

Fruit

Stone fruit Fruit in this category includes apricots, cherries, peaches, nectarines, and plums. The New Zealand summer fruit (stone fruit) industry consists of around 350 growers on approximately 2,300 hectares. The main production areas are Hawke's Bay and Central Otago. While Hawke's Bay produces the bulk of the summer fruit consumed on the New Zealand market, the export crop is almost exclusively produced in Central Otago.

The New Zealand market consumes 75 percent of the summer fruit product. With the continued shrinking of production in Marlborough, Hawke's Bay is now emerging as the main producer of pre-Christmas cherries for consumption in New Zealand.

Key export markets for stone fruit are Taiwan, Australia, and the United States, with the Republic of Korea, Singapore, and Thailand emerging as promising markets for cherries. On average, apricots account for 28 percent of exports, and cherries for around 60 percent. Very few peaches, nectarines, and plums are exported. Processing peaches and apricots accounts for approximately 5 percent of the market.

Summerfruit New Zealand This organisation is funded predominantly by a commodity levy. The levy funds used in research and development are targeted towards eliminating waste from production and developing sustainable systems for producing quality fruit.

More issues are now facing the summer fruit industry and the way the industry responds has also changed. A previous focus on reducing agrichemical use and opening new markets is now being replaced by concerns about climate change, addressing the carbon footprint of the industry, reducing water use, and having sustainable systems while maintaining quality and commercial viability.

Pipfruit Apples, pears, and nashi are included in the pipfruit sector. Turners and Growers is New Zealand's global pipfruit marketer, though exports have their own brand names – about 30 varieties of apples and pears are sold under the ENZA brand.

In 2009, about 550 growers were producing fruit on 1,050 orchard sites (both for export and the domestic market) totalling around 9,000 hectares. Hawke's Bay is the largest producing region, followed by Nelson, then Central Otago.

Export production was about 300,000 tonnes in 2009, about 70 percent of New Zealand's total pipfruit production. Since deregulation in 2001 there have been about 90 exporters of pipfruit each year, but the 10 largest exporters account for 75 percent of the total export volume.

Apples are exported to 64 countries, with the key markets being continental Europe (39 percent), Asia (23 percent), United Kingdom and Ireland (18 percent), and North America (15 percent).

Pipfruit New Zealand Inc This organisation advocates for the pipfruit industry, is its national body, and is funded by a commodity levy. Levy funds are used in research and development, for market access, and for advocacy in industry forums and with government. Research aims to develop pipfruit in a sustainable manner through developing production systems that achieve this outcome – systems include integrated fruit production, Apple Futures, and organic growing systems.

Table 18.18

Type	Pipfruit exports				
	Year ending 30 September				
	2005	2006	2007	2008	2009
	Tray carton equivalents (18kg)				
Apples	18,482,245	14,767,113	16,371,630	14,473,304	16,846,229
Pears	298,503	264,335	308,691	259,542	318,204
Total pipfruit	18,780,748	15,031,449	16,680,321	14,732,846	17,164,433

Source: New Zealand Customs Service; Pipfruit New Zealand

Kiwifruit This fruit is New Zealand's most important horticultural export earner. New Zealand is a major world supplier of kiwifruit and has led the development of the global industry.

ZESPRI International Ltd is a consumer-driven, grower-owned company dedicated to the global marketing of kiwifruit. It is one of New Zealand's leading exporters, earning more than \$1.3 billion in 2008. With global headquarters in New Zealand and a network of offices in Europe, North America, Asia, and the Pacific, ZESPRI is the biggest marketer of kiwifruit in the world and is acknowledged as the world leader in innovation, quality, and marketing.

ZESPRI sold more than 100 million trays of New Zealand kiwifruit in around 60 countries in 2008. Sales were focused in five major markets: Europe (56 percent), Japan (20 percent), East and South-East Asia (13 percent), North America (5 percent), and developing markets – which include the domestic market, as well as Australia, the Middle East, the Indian Ocean region, and eastern Russia.

While New Zealand growers supply about one-quarter of world production, kiwifruit generally accounts for less than 1 percent of the world's fresh fruit production. Kiwifruit is produced in many regions of New Zealand's North Island, and in the north of the South Island. The Bay of Plenty, with more than 82 percent of production, is the major growing area. There are about 2,700 kiwifruit growers in New Zealand, and a further 1,273 around the world. Annual kiwifruit hectares and sales since 1997 are shown in table 18.21.

Table 18.19

Area planted in fruit ⁽¹⁾									
At 30 June									
Fruit	1994	1995	1996	2000 ⁽²⁾	2002	2003	2005	2007	Main regions
Hectares									
Citrus									
Grapefruit/goldfruit	116	117	115	117	82	71	48	41	Auckland, Bay of Plenty
Lemons	263	S	330	339	364	362	334	332	Northland
Mandarins	619	654	637	946	911	832	675	691	Northland, Gisborne
Oranges	789	757	607	597	573	S	541	681	Gisborne, Northland
Tangelos	295	316	230	167	163	129	103	89	Gisborne
Pipfruit									
Apples	15,257	15,916	15,819	14,114	11,717	12,150	10,982	9,247	Hawke's Bay, Tasman
Pears	1,279	1,266	1,151	958	952	906	719	694	Hawke's Bay, Tasman
Nashi (Asian pears)	418	413	313	185	119	128	S	97	Waikato, Tasman
Stone fruit									
Apricots	844	831	735	759	636	597	480	457	Otago
Nectarines	667	705	559	618	528	503	433	377	Otago, Hawke's Bay
Peaches	714	738	756	725	808	730	547	527	Hawke's Bay
Plums	342	336	303	408	394	S	333	413	Hawke's Bay
Cherries	274	353	339	535	550	569	524	520	Otago, Marlborough
Berry fruit									
Blackcurrants	720	714	614	834	1,308	S	1,311	1,275	Tasman
Blueberries	357	377	280	348	450	449	567	522	Waikato
Boysenberries	231	222	227	263	239	238	196	334	Tasman
Raspberries	199	S	S	254	302	204	190	150	Tasman, Canterbury
Strawberries	331	S	S	384	311	S	219	216	Auckland
Subtropicals									
Avocados	1,375	1,588	1,573	2,646	3,106	3,235	3,400	4,004	Bay of Plenty, Northland
Feijoas	161	S	138	217	198	S	181	251	Auckland
Kiwifruit	12,174	11,873	11,640	12,184	11,841	12,271	12,071	13,250	Bay of Plenty
Tamarillos	299	249	188	297	270	S	206	194	Northland, Bay of Plenty
Passionfruit	54	54	41	66	70	S	66	47	Bay of Plenty
Grapes (outdoor) ⁽³⁾	7,160	7,382	7,627	12,665	17,300	19,646	24,793	29,616	Marlborough, Hawke's Bay, Gisborne
Persimmons	412	428	361	384	282	S	195	180	Auckland

(1) Areas planted in fruit were not counted in the 1997, 1998, 1999, 2001, 2004, and 2006 agricultural surveys. (2) Use caution when making comparisons using 2000 data, as a different survey population was used. (3) Areas of grapes planted for activities classified to winemaking are not included.
Symbol: S suppressed due to poor statistical quality

Source: Statistics New Zealand

Table 18.20

Wine industry statistics										
Year ending 30 June										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of wineries	334	358	382	398	421	463	516	530	543	585
Producing area (hectares)	9,000	10,197	11,648	13,787	15,800	17,809	20,002	22,616	25,355	29,310
Average yield (tonnes per hectare)	8.9	7.8	6.1	8.6	4.8	9.1	6.9	8.2	8.1	9.7
Crushed (tonnes)	79,700	80,100	71,000	118,700	76,400	165,500	142,000	185,000	205,000	285,000
Total production (million litres)	60.2	60.2	53.3	89	55	119.2	102	133.2	147.6	205.2
Domestic sales (million litres)	38.4	41.3	36.2	32.6	35.3	35.5	45	50	51	46.5
Consumption per person (litres NZ wine) ⁽¹⁾	10.1	10.6	9.3	8.3	8.8	8.8	11.2	12.1	12.2	11.1
Export volume (million litres)	16.6	19.2	19.2	23	27.1	31.1	51.4	57.8	76	88.6
Export value (\$million)	125.3	168.6	198.1	246.4	281.9	302.6	434.9	512.4	698.3	797.8

(1) Total domestic sales of New Zealand-made wine divided by the population of New Zealand.

Source: New Zealand Winegrowers

Grape growing and wine production The area planted in production grapevines increased from 11,648 hectares in 2001, to 29,310 hectares in 2008. The major grape-producing areas are Marlborough (11,488 hectares), Hawke's Bay (4,346 hectares), and Gisborne (1,913 hectares).

The 2008 season produced 285,000 tonnes of grapes, the most popular varieties being sauvignon blanc (169,613 tonnes), chardonnay (33,346 tonnes), and pinot noir (32,878 tonnes). The number of wineries in New Zealand increased from 262 in 1997, to 585 in 2008.

Wine exports rose from 22.3 million litres (worth \$246 million) in 2002, to 88.6 million litres (worth \$798 million) in 2008. The United Kingdom, which imported 29.6 million litres of wine (worth \$241 million) in the year ending 30 June 2008, was New Zealand's major export market.

In second place was Australia, which imported 24.6 million litres (worth \$247 million), and the United States was the third-largest importer, with 19.5 million litres of New Zealand wine (worth \$160 million) in the June 2008 year.

Table 18.21

Kiwifruit production			
Year ending 31 March			
Year	Area (hectares)	Trays	
		submitted ⁽¹⁾	Sold
		Million	
1999	10,234	52.3	51.8
2000	10,159	63.7	61.5
2001	10,100	66.3	65.1
2002	10,376	62.2	61.3
2003	10,580	65.1	64.6
2004	10,934	81.5	79.7
2005	11,464	84.7	82.3
2006	11,967	81.1	80.1
2007	12,186	95.4	92.4
2008	12,337	102.6	100

(1) The number of trays received from registered suppliers; 'trays sold' is the final sales number. The difference is the fruit loss in transit.

Source: ZESPRI International

Contributors and related websites

Dairy Companies Association of New Zealand – www.dcanz.com
Egg Producers Federation of New Zealand (Inc) – www.eggfarmers.org.nz
Fonterra – www.fonterra.com
Meat & Wool New Zealand – www.meatandwoolnz.com
Ministry of Agriculture and Forestry – www.maf.govt.nz
National Beekeepers' Association of New Zealand – www.nba.org.nz
New Zealand Food Safety Authority – www.nzfsa.govt.nz
New Zealand Government – www.beehive.govt.nz
New Zealand Meat Board – www.nzmeatboard.org
New Zealand Pork Industry Board – www.nzpork.co.nz
New Zealand Winegrowers – www.nzwine.com
Open Country Dairy Ltd – www.opencountry.co.nz
Plant and Food Research – www.plantandfood.co.nz
Poultry Industry Association of New Zealand – www.pianz.org.nz
Statistics New Zealand – www.stats.govt.nz
Summerfruit New Zealand – www.summerfruitnz.co.nz
Tatua Co-operative Dairy Company Ltd – www.tatua.com
Turners and Growers – www.turnersandgrowers.com
Westland Milk Products – www.westland.co.nz
ZESPRI International – www.zespri.com

Image removed due to copyright issues

Fishing boats moored at Coromandel wharf. In October 2009 there were 1,262 domestic-registered commercial fishing vessels in New Zealand.

19 | Forestry and fishing

Forestry

Forests cover around 30 percent, or 8.3 million hectares, of New Zealand's land area. Of this, about 6.5 million hectares are indigenous forests and 1.8 million hectares are planted production forests. In addition to tall forests, there are 2.7 million hectares of shrublands, some of which are reverting to indigenous forest.

Of the total planted production forest estate, 89 percent is radiata pine (*Pinus radiata*) and 6.3 percent is Douglas fir (*Pseudotsuga menziesii*). Hardwoods make up 2.7 percent of planted production forests, with eucalyptus species being the most important.

Although radiata pine is the principal plantation species, its properties make it unsuitable for some uses, especially where decorative features, dimensional stability, and surface hardness are important. Coupled with the declining supply of timber from indigenous forests, this has resulted in the establishment of special-purpose species such as blackwood (*Acacia melanoxylon*), macrocarpa (*Cupressus macrocarpa*), and black walnut (*Juglans nigra*) to meet the needs of specialist markets.

An estimated 2,400 hectares of new forest were established in 2007 and it is provisionally estimated that this decreased to 1,000 hectares in 2008. The average new planting rate over the last 30 years has been 37,500 hectares per year. In the period 1992 to 1998, new planting rates were high, averaging 69,000 hectares per year. Since 1996, new planting has declined, with 2008's figures the lowest since 1945. It is estimated that between 1990 and 2008, about 683,000 hectares of new forest were established. While a significant area of this was planted by new entrants during the 1990s, 70 percent (1.2 million hectares) of the entire forest resource is owned by growers with more than 1,000 hectares of forest.

Resources

Indigenous forests New Zealand's 6.5 million hectares of indigenous forests are mainly located in mountain lands, particularly on the west coast of the South Island. Indigenous forests contain more than 2,450 species of trees, shrubs, and smaller plants. Tree species in these complex forests include beech, rimu, kauri, taraire, and tawa.

Indigenous forests harbour about 330 species of native birds (some classed as endangered or threatened), two species of bat, reptiles, freshwater fish, amphibians, and invertebrates – most notably land snails and giant weta. The forests are notable for their recreational, scientific, historical, and scenic value, as well as for being a key part of New Zealand's ecological environment.

Plantation forests aid biodiversity

Image removed due to copyright issues

Wingspan

The kārearea (native falcon) is one of many threatened species that live in plantation forests.

New Zealand's plantation forests provide benefits for many environmental services and processes, such as clean streams, erosion protection, carbon sequestration, and flood abatement, as well as social benefits such as recreation.

Their contribution to New Zealand's indigenous biodiversity is one benefit that is often overlooked or dismissed. Just over half of New Zealand is under pasture, crop, horticulture, and plantation forest management, and many indigenous species (some of which are threatened) are also present in these environments. Within the plantation forest estate alone there could be 200,000 hectares of indigenous forest remnants, riparian strips, watercourses, and wetlands.

Many of New Zealand's threatened species find favourable habitats in plantation forests. They include the kiwi, falcon (kārearea), Hochstetter's frog, and long-tailed bat. Other species, such as kākā, kea, kākārīki, and kererū, utilise plantation forests to supplement food supplies but remain reliant on adjacent natural forest. In either case, plantation forests provide key habitats for these species and, with careful management, contribute to their continued survival.

Private land owners are becoming more aware of the importance of caring for threatened habitats and species on their lands. Much of this comes from a growing awareness in the wider community, possibly resulting from implementing the Resource Management Act 1991, the Conservation Act 1987, and the Wildlife Act 1953.

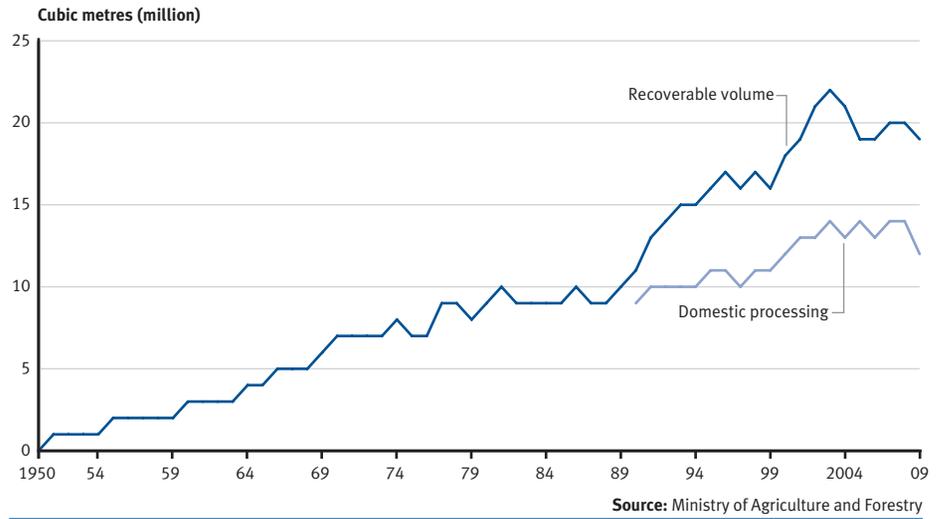
For those involved in the forest industry, the New Zealand Forest Accord 1991 and, more recently, third-party forest certification systems have placed extra impetus on managing for threatened species, their habitats, and other biodiversity values. However, the industry has felt hampered by a lack of guidance on how to manage threatened species on private land.

The need for practical guidelines has led to the development of an online guide by the New Zealand Forest Owners Association. Authored by Colin Maunder, from Kaingaroa Timberlands, and Willie Shaw, from Wildland Consultants, the guide provides a practical means for foresters to manage threatened species living within their plantation estates. It is available online (<http://rarespecies.nzfoa.org.nz>).

Source: New Zealand Forest Owners Association

Figure 19.01

Wood supply
Year ending 31 March



The main threats to the forests are introduced animals and plants, and an increasing demand for access and recreational opportunities.

The Crown is the major indigenous forest owner. Through the Department of Conservation it manages about 5 million hectares (or 78 percent) of the indigenous forest estate – for conservation, heritage, and recreational purposes. The bulk of this Crown-owned forest resource is protected in perpetuity in national parks, scenic reserves, and other conservation areas. Many of these areas were gifted to the Crown by Māori. There is no commercial timber harvesting from Crown-owned indigenous forest.

The Forest Act 1949, amended in 1993, promotes sustainable management of privately owned indigenous forests. This means the forests are managed in a way that provides products and amenities in perpetuity. The Act does this by requiring private owners to have sustainable management plans and permits, by controlling indigenous timber input to sawmills, and by prohibiting indigenous woodchip and log exports.

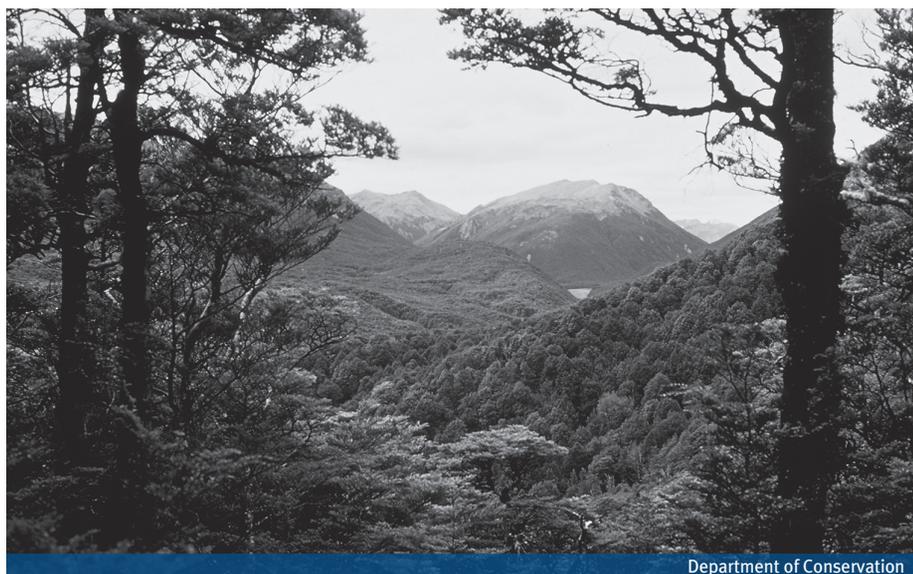
Less than 1 percent of New Zealand's total forest production is from indigenous forests. Harvesting timber from state-owned indigenous forests, which was confined to the west coast of the South Island, stopped in 2002, in line with government policy.

Harvesting and milling of 'salvage' timber from areas of farmland and non-natural forest, along with windblown and naturally dead trees from indigenous forests not being managed under an approved sustainable forest management regime, is permitted.

Image removed due to copyright issues

Tree Adventures

A Tree Adventures participant on the 'balance bridge', seven metres above the ground. Tree Adventures is an outdoor activity facility in Woodhill Forest, near Auckland. Adventurous adults and children negotiate courses that are suspended up to 14 metres in the air, tethered between tree trunks. At the end, a flying fox ride brings them back to earth.



Department of Conservation

Beech forest in Arthur's Pass National Park. Until the 1950s, indigenous forests were the prime source of domestic timber requirements. Harvesting timber from state-owned indigenous forests stopped in 2002, and native timber now makes up only 1 percent of total forest production. Most of the timber comes from sustainably managed private indigenous forests and include species such as rimu, beech, and tawa. Others, such as kauri, mataī, and tōtara, are available intermittently.

Approval is needed for a landowner to harvest and mill for personal use. All sawmills milling timber from indigenous forests must be registered, and they are restricted to processing timber from approved sources.

Exports of indigenous forest products are limited to those sourced from an area managed under an approved sustainable forest management plan or permit, or where the product is manufactured to a finished form.

Planted production forests Trees planted in the second boom of afforestation (1970 through to the mid-1980s) are now a valuable resource for large-scale use, providing opportunities to maximise the economic return from tree-growing. Special-purpose plantation species are being planted by small-scale forest growers on suitable sites. Uses for specialist timbers include furniture, cabinet work, turnery, joinery, veneers, and boat-building.

Forest ownership

Many early plantation forests were developed by the government, but ownership has moved increasingly to the private sector. Today, approximately 92 percent of New Zealand's plantation resource is owned by private or publicly listed companies.

Central government owns 2 percent of the forest area, managed primarily by the Ministry of Agriculture and Forestry.

Local authorities own a further 3 percent of the area, while the remainder is owned by a large number of private owners, including Māori trusts. Small private investors and landowners continue to develop an expanding area of planted production forests.

An agreement among the Crown, the Māori Council, and the Federation of Māori Authorities provides security of tenure for buyers of state-owned plantations, and protects the interests of Māori with claims before the Waitangi Tribunal.

Purchasers have the right to use the land for the time it takes for any existing tree crop to reach maturity and be harvested. The right to use the land is automatically extended by one year each year, unless notice of termination is given. If a termination notice is given, the buyer has time to harvest tree crops planted before the notice was given.

In the event of a successful Māori claim to the Waitangi Tribunal, the government will give a termination notice to the purchaser, and compensate the claimant for the rights the purchaser retains until the end of the termination period.

Forest products and timber

Forest products

Pulp and paper The pulp and paper industry is mainly concentrated near large production forests on the North Island's volcanic plateau. All seven pulp and paper plants are located in the North Island and four of them are integrated with sawmills to make full use of the wood.

Kiwi firm lands major contract

The All Blacks and some clever marketing helped New Zealand timber company Access Pacific (APL) land a major deal with the world's largest trader in hardwood timber, DLH.

The Kiwi company had to convince DLH to look beyond the hardwood forests of Asia and Brazil and to persuade them that New Zealand softwood timbers are not only highly durable (with a 25-year guarantee against termites and decay), they are also defect-free and come from environmentally sustainable forests.

It has succeeded, landing a deal worth more than \$4 million a year – and this is likely to grow.

"We went to DLH with a proposal for high-grade New Zealand pine products, treated and preserved to European standards and with forest stewardship certification. No one in northern Europe could touch what we were offering," Daniel Gudsell, APL's marketing director said.

However DLH took some persuading, as they were suspicious of softwoods. A strategic partnership with a French importer helped the New Zealand company's case, but what clinched the deal was when New Zealand Trade and Enterprise organised a corporate hospitality opportunity for APL at the test match between France and the All Blacks in Marseille in November 2009. The key DLH negotiators were huge rugby fans and DLH's order was confirmed shortly afterwards.

"I think we will see more progress and a wider opening of the market for New Zealand pine in France in the near future," Ariane Gonzalez, New Zealand's trade commissioner for France said. "The growing concern of consumers about environmental protection combined with the constant search for quality at a good price is now at the heart of any purchasing decision."

Source: New Zealand Trade and Enterprise

Table 19.01

Panel production				
Year ending 31 December				
Year	Veneer	Plywood ⁽¹⁾	Particle-board	Fibre-board
	Cubic metres			
2000	378,282	239,947	188,054	744,879
2001	401,590	243,702	204,524	801,493
2002	460,619	263,332	198,347	821,994
2003	601,600	321,655	209,977	883,117
2004	628,747	345,102	230,378	873,112
2005	694,301	408,635	229,971	845,663
2006	655,206	403,808	238,205	906,938
2007	688,312	421,794	256,239	836,755
2008	512,575	416,386	245,309	765,044
2009 P	489,788	365,664	217,700	644,654

(1) Includes laminated veneer lumber.

Symbol: P provisional

Source: Ministry of Agriculture and Forestry

Table 19.02

Forest planting and production					
Year ending 31 March					
Year	New area planted		Production		
	State	Private	Rough-sawn timber	Wood pulp ⁽¹⁾	Paper & paperboard
Hectares	(ooo)	Cubic metres (ooo)				Tonnes
1930	22	15	668	..	..
1935	5	7	575	..	..
1940	2	..	793	221	13,079
1945	..	0	803	15,681	20,949
1950	2	1	1,131	21,781	22,136
1955	3	2	1,453	53,016	40,917
1960	4	2	1,638	221,408	164,255
1965	8	5	1,739	370,499	316,104
1970	15	11	1,803	521,654	445,976
1975	22	23	2,086	843,244	546,834
1980	17	21	2,000	1,122,456	673,853
1985	18	30	2,306	1,144,911	770,098
1990	0	16	2,121	1,233,809	757,371
1995	0	74	2,955	1,360,389	876,187
2000	0	34	3,806	1,527,565	829,812
2005	..	6	4,407	1,586,790	921,339
2006	..	5	4,215	1,561,173	940,460
2007	..	..	4,369	1,528,991	871,946
2008	..	..	4,341	1,546,467	871,083
2009	..	..	3,610	1,440,140 P	969,199 P

(1) Chemical and mechanical wood pulp.

Symbols: P provisional .. figure not available

Source: Ministry of Agriculture and Forestry

There are four main pulp and paper companies:

- Norske Skog Tasman Ltd operates the Tasman pulp and paper mill at Kawerau, in the Bay of Plenty. The plant produces mechanical pulp, newsprint, and directory paper.
- Carter Holt Harvey operates pulp and paper plants in New Zealand. The Penrose plant in south Auckland produces corrugated medium paper from recycled waste paper. At the large Kinleith site, near Tokoroa, bleached and unbleached market kraft pulp, linerboards, and corrugated paper mediums are produced. A plant at Whakatane produces paperboard from mechanical pulp, outsourced kraft pulp, and waste paper-based pulps. A tissue plant at Kawerau has a chemical thermo-mechanical pulp mill that manufactures a wide range of tissue, towelling, and speciality grades.
- Pan Pac Forest Products operates an integrated sawmill and thermo-mechanical pulp mill at Whirinaki, near Napier.
- Winstone Pulp International has a chemical thermo-mechanical pulp mill at Karioi, near Waiouru. The plant uses wood from surrounding forests, as well as sawmill residues.

Panel products Table 19.01 shows production volumes of wood panel products since 1998.

Overseas trade in forest products

Exports of forest products were valued at \$3,438 million in the year ending 30 June 2009, up slightly from \$3,241 million in 2008. Most of this gain was due to a stronger New Zealand dollar.

Export volumes improved modestly, at 7 percent in the year ending 31 March 2009. Australia was the main destination for New Zealand forest exports, receiving 23.4 percent of the total. This was followed by the People's Republic of China, with 15.5 percent of New Zealand's forestry exports.

Exports to China totalled about 2.1 million cubic metres in 2008 and are continuing to increase. In previous years China imported most of its logs from Russia. However in 2008, Russia increased its log export tax to 25 percent of the log value and as a result, China looked for an alternative source, to New Zealand's benefit.

Table 19.04 shows the annual volumes of timber exports since 2000, while figure 19.02 indicates the proportions of exports going to different countries in 2009.

Imports of forest products were valued at \$1,457 million in the year ending 30 June 2009, compared with \$1,486 million in 2008. In 2009, New Zealand's imports were split between softwoods (42 percent) and hardwoods (58 percent). In 2007 the ratios were reversed, with 55 percent softwoods and 42 percent hardwoods.

Table 19.03

Pulp and paper production						
Year ending 31 March						
Year	Wood pulp		Paper and paperboard			Total
	Chemical ⁽¹⁾	Mechanical ⁽²⁾	Newsprint	Other printing & writing paper	Other paper & paperboard	
	Tonnes					
2000	753,885	773,680	360,623	10,285	458,904	829,812
2001	744,991	827,286	380,614	4,155	486,838	871,607
2002	723,054	800,676	334,058	0	512,669	846,727
2003	684,187	828,415	355,569	0	496,094	851,663
2004	654,291	808,365	368,421	0	477,001	845,422
2005	727,309	859,481	379,628	0	541,711	921,339
2006	742,800	818,373	367,064	0	573,396	940,460
2007	784,995	743,996	292,015	0	579,931	871,946
2008	801,179	745,288	285,654	0	585,429	871,083
2009	753,062	724,880	291,297	0	578,746	870,043

(1) Includes semi-chemical pulp. (2) Includes groundwood pulp, thermo-mechanical and chemithermo-mechanical pulp.

Source: Ministry of Agriculture and Forestry

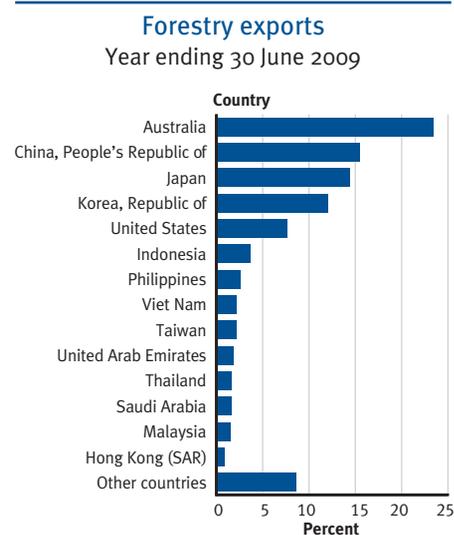
Table 19.04

Timber exports						
By volume						
Year ending 30 June						
Year	Sawn timber				Total	Logs & poles
	From natural forest	Radiata pine	Douglas fir	Other		
	Cubic metres (ooo)					
2000	1	1,400	26	55	1,482	6,179
2001	1	1,353	35	103	1,492	6,177
2002	1	1,595	32	96	1,724	7,604
2003	1	1,661	18	129	1,809	8,423
2004	1	1,556	32	99	1,689	6,298
2005	1	1,701	43	91	1,836	5,077
2006	1	1,707	62	65	1,835	5,198
2007	1	1,813	70	49	1,934	6,250
2008	0	1,651	52	41	1,745	6,021
2009 P	0	1,702	52	33	1,787	7,591

Symbol: P provisional

Source: Ministry of Agriculture and Forestry

Figure 19.02



Note: SAR special administrative region.

Source: Ministry of Agriculture and Forestry



Richard King

Piles of logs on Wellington's waterfront, ready for shipping overseas. In the year ending June 2009, New Zealand exported 7,591 thousand cubic metres of logs and poles.

Table 19.05

Timber imports				
By volume				
Year ending 30 June				
Year	Hard-woods	Soft-woods	Total	Logs & poles
Cubic metres (000)				
2000	13	20	33	4
2001	14	15	29	6
2002	17	13	30	6
2003	17	17	34	5
2004	20	21	41	3
2005	22	30	52	3
2006	23	26	49	6
2007	25	28	53	2
2008	24	24	48	5
2009 P	19	14	33	7

Symbol: P provisional

Source: Ministry of Agriculture and Forestry

Table 19.06

Overseas trade in pulp and paper				
By volume				
Year ending 30 June				
Year	Wood pulp	Newsprint	Other paper & paperboard ⁽ⁱ⁾	
Tonnes				
Imports				
2000	6,895	467	339,924	
2001	8,654	105	311,400	
2002	12,543	321	379,506	
2003	6,501	4,296	421,618	
2004	4,030	8,686	441,894	
2005	3,397	10,470	480,576	
2006	6,104	5,410	481,290	
2007	7,332	16,361	466,464	
2008	33,302	4,165	510,448	
2009 P	17,834	2,281	404,838	
Exports				
2000	687,624	228,022	252,070	
2001	728,501	216,494	244,744	
2002	783,891	205,227	293,039	
2003	708,298	213,374	254,433	
2004	787,644	219,720	323,366	
2005	857,203	47	350,688	
2006	794,822	19	378,070	
2007	842,979	29	379,916	
2008	858,965	..	..
2009 P	824,395	..	..

(i) Products manufactured from paper and paperboard are excluded.

Symbols: P provisional .. figure not available

Source: Ministry of Agriculture and Forestry

Sawn timber imports are mainly tropical hardwoods, Australian hardwoods, and North American softwoods. Imported sawn timbers generally have specialist applications, such as weatherboards with a natural finish, decorative furniture, panelling, and boat-building.

Durable Australian hardwoods are imported for use as large poles, cross-arms, and wharf, bridge, and construction timbers. Oregon pine, redwood, and western red cedar are imported from North America for structural uses, exterior joinery, and weatherboards.

Table 19.05 shows annual volumes of timber imported into New Zealand since 2000.

Table 19.07

Overseas trade in forest products				
Year ending 30 June				
Year	Wood & wood products	Wood pulp	Paper & paper products	Total
\$(000)				
Imports⁽ⁱ⁾				
2000	263,995	7,596	832,263	1,103,854
2001	272,003	10,491	909,663	1,192,157
2002	276,676	12,327	933,806	1,222,809
2003	308,889	6,654	924,097	1,239,640
2004	343,694	3,701	934,183	1,281,578
2005	671,146	3,707	657,769	1,332,622
2006	707,023	6,799	679,641	1,393,463
2007	743,503	7,820	691,492	1,442,815
2008	759,419	29,861	696,295	1,485,575
2009 P	763,492	19,401	674,519	1,457,412
Exports⁽ⁱ⁾				
2000	2,104,442	609,798	631,579	3,345,819
2001	2,289,699	620,349	695,957	3,606,005
2002	2,491,276	518,188	685,278	3,694,742
2003	2,475,122	433,449	597,446	3,506,017
2004	2,155,889	476,515	591,607	3,224,011
2005	2,188,087	477,610	280,056	2,941,905
2006	2,190,766	472,867	300,950	2,956,536
2007	2,472,957	621,785	345,562	3,440,304
2008 P	2,279,123	608,726	..	2,887,848 ⁽³⁾
2009 P	2,637,497	569,587	..	3,207,084 ⁽³⁾

(i) Imports valued cif (costs including insurance and freight). (2) Exports valued fob (free on board) at New Zealand ports, re-exports included. (3) Excluding paper and paper products.

Symbols: P provisional .. figure not available

Source: Ministry of Agriculture and Forestry

Timber

Logs (roundwood) In the year ending 31 March 2009, logs from planted production forests made up 19.9 million cubic metres (99.9 percent) of total roundwood removals.

Approximately 264 sawmills, and 11 veneer, seven plywood, and six fibreboard mills were supported during 2009. Roundwood production does not include firewood.

Sawn timber Radiata pine accounts for about 95 percent of the total cut of exotic timber, Douglas fir for 3.8 percent, and other conifers for most of the remainder.

Less than 1 percent of New Zealand's sawn timber production comes from indigenous forests, and this proportion has reached the point where only a small, sustained yield of native timber is available for special purposes.

Table 19.08

Roundwood removals from New Zealand forests							
Year ending 31 March							
Year	Natural forest removals	Planted production forest removals				Total	Total removals
		Saw logs	Pulp logs	Export logs	Other ⁽ⁱ⁾		
Cubic metres (000)							
2000	76	6,985	3,049	5,806	2,280	18,120	18,196
2001	55	7,221	3,566	5,917	2,528	19,232	19,287
2002	57	7,326	3,504	7,382	2,671	20,883	20,940
2003	38	8,349	3,288	8,087	2,689	22,413	22,451
2004	31	7,718	3,057	7,313	2,767	20,855	20,886
2005	26	8,041	3,287	5,123	2,783	19,234	19,260
2006	24	7,607	3,234	5,067	2,859	18,767	18,792
2007	18	7,768	3,284	5,973	2,872	19,897	20,038
2008	19	7,839	3,493	6,199	2,859	20,387	20,406
2009	11	6,491	3,251	6,649	2,485	18,876	18,887

(i) Includes peeler logs, small logs, and export chips.

Source: Ministry of Agriculture and Forestry

Table 19.09

Sawn timber production										
By species										
Year ending 31 March										
Species	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 P
Cubic metres (000)										
Natural forest										
Rimu and miro	22	17	13	5	5	5	0	3	3	3
Kauri	1	1	1	1	1	1	0	0	0	0
Tōtara	0	0	1	1	0	0	0	0	0	0
Kahikatea	1	0	0	1	0	0	0	0	0	0
Tawa	1	1	0	0	0	0	0	0	0	0
Beech	6	8	13	10	8	7	0	6	4	4
Other	0	1	1	2	1	0	0	0	1	0
Total	30	28	28	19	16	13	0	9	8	7
Planted production forest										
Radiata pine	3,583	3,625	3,678	4,225	3,992	4,178	4,018	4,171	4,122	3,435
Douglas fir	134	136	124	164	178	167	156	155	175	138
Eucalypts	4	3	3	3	4	3	5	3	3	1
Other	54	56	31	36	32	30	25	30	32	29
Total	3,776	3,820	3,836	4,428	4,206	4,394	4,203	4,360	4,331	3,602
Total all species	3,806	3,848	3,864	4,447	4,222	4,392	4,215	4,369	4,341	3,610

Note: Figures may not add to stated totals due to rounding.

Symbol: P provisional

Source: Ministry of Agriculture and Forestry

Oil wells of the future?

New Zealand's reliance on imported oil is a key issue for its future energy security and supply. Currently 90 percent of liquid transport fuel is imported, at a cost of about \$6 billion per year.

Crown research institute Scion has conducted research that shows how New Zealand can break this dependence using home-grown biomass on low productivity land. Its findings point to trees as possible oil wells of the future.

Scion chief executive Dr Tom Richardson says New Zealand has a compelling opportunity to produce transport fuels from forests grown on marginal lands.

"Our analysis shows how New Zealand could gain a long-term, sustainable alternative to imported transport fuels by establishing 1.8 million hectares of energy forests, an area equivalent to the current plantation forest estate.

This highly achievable goal would reap huge benefits for the economy, the environment, and for greenhouse gas reduction," Dr Richardson explained.

Residual and biomass feedstocks (such as algae or canola) offer New Zealand niche opportunities for biofuel production. These existing feedstocks, when added together, represent less than 10 percent of the country's total energy demand.

Only forest trees planted on New Zealand's least productive agricultural hill country (marginal land) offer a scaleable option that does not significantly impact on food or feed production.

"The technology to convert New Zealand-grown softwoods and hardwoods to transport fuels is rapidly progressing towards commercialisation – driven by research investment overseas. New Zealand is linked to these efforts via a range of partnerships," Dr Richardson said.

Source: Scion

Image removed due to copyright issues

Herald on Sunday

Property developer Andrew McDade checks work on an eight-house development in the Auckland suburb of Epsom. The cost of timber has gone up as a result of increased demand from China – timber prices went up 10 percent in April 2010 and a similar increase was expected later in 2010.

Commercial fish resource valued at \$4 billion

The asset value of New Zealand's commercial fish resource, as managed under the quota management system (QMS), is estimated to be around \$4 billion, according to the *Fish Monetary Stock Account 1996–2009*, released by Statistics New Zealand in 2010.

From 1996 to 2009, New Zealand's commercial fish resource is estimated to have increased in value by nearly 47 percent, from \$2.7 billion in 1996 to \$4.0 billion in 2009. Although the number of species managed under the QMS has also increased over this period, from 26 to 96, 20 species are responsible for the majority of the total value.

In 2009 the top 20 species, including hoki, rock lobster, pāua, and blue cod, made up 91 percent of the fish stocks' total value.

Hoki contributed the highest value at \$815 million, or 20 percent of the total asset value. In 2009, jack mackerel, dredge oysters, and stargazer replaced alfonsino, hāpuku and bass, and scallops in the top 20 species by asset value.

Due to data limitations, this valuation currently excludes recreational or customary catch, species reared under aquaculture conditions, and commercial species not managed under the QMS. These are areas for future development within the report.

The *Fish Monetary Stock Account 1996–2009* is part of an environmental series measuring the reliance of New Zealand's economy on natural resources.

Source: Statistics New Zealand

Biosecurity

MAF Biosecurity New Zealand leads the country's biosecurity system. It employs 932 full-time and part-time staff based throughout New Zealand and overseas. A division of the Ministry of Agriculture and Forestry, it facilitates international trade, protects the health of New Zealanders, and ensures the welfare of the environment, flora and fauna, marine life, and Māori resources.

MAF Biosecurity New Zealand gathers and exchanges information about emerging risks around the world, manages risk before and at the border (including export trade inspection), and manages animal welfare and the risks and impact of pests and diseases that are already established in New Zealand.

Fisheries

Fishery resources and management

New Zealand's fisheries management regime is widely regarded as being among the best in the world. New Zealand recently became one of only two countries to achieve a top ranking in a review of international fisheries management systems, and in a second study was ranked first among the 53 major fishing nations for managing marine resources.

The cornerstone of New Zealand's fisheries management regime is the quota management system (QMS). This was introduced in 1986 as a tool to ensure fisheries are sustainable by controlling the amount of fish that is taken from each fish stock.

The QMS sets strict catch limits that have led to the gradual recovery of depleted fish stocks. It also allocates these catch limits among commercial fishers and allows the allocation to be bought and sold. It sets the foundation for ensuring long-term sustainability and for maximising the returns New Zealand gets from fisheries.

Under this system, the commercial catching rights for each of New Zealand's 632 fish stocks have been split into shares (or quota) that can be freely bought and sold. New Zealand is one of the only countries in the world to use individual quota on such a broad scale and across so many fisheries.

Allocating quota to individual fishers encourages them to make sure their catch levels are sustainable, because they are guaranteed a permanent share of the fishery. This provides economic certainty and encourages long-term sustainability.

The QMS has delivered significant benefits to New Zealand. Export returns have increased and most of the stocks that were overfished before the QMS was introduced now have sustainable catch limits in place.

Under the QMS a yearly catch limit is set for every fish stock so that fishers know how much fish they can catch. New Zealand law requires catch limits for every fish stock to be set at levels that will ensure their long-term sustainability. The Ministry of Fisheries rigorously monitors the amount of fish caught against these limits and financial penalties are enforced if the allocated amount is exceeded in any one year.

New Zealand also has sophisticated fisheries research, management, and monitoring systems that work together to make sure future generations of New Zealanders will be able to enjoy and use healthy fisheries.

Each year there is considerable investment in research and fisheries assessment. All research and assessment is carefully reviewed by highly qualified scientists, with active participation by fisheries managers and representatives of environmental and fishery interests. The commercial fishing industry pays for a significant proportion of this research, the results of which are available on the Ministry of Fisheries website (www.fish.govt.nz).

Customary fishing regulations

The Treaty of Waitangi (Fisheries Claims) Settlement Act 1992 provides a legislated settlement of fishing claims with two main impacts. First, it addresses the right of Māori to a commercial stake in New Zealand's fishing industry and a role in its management. The second part of the settlement is less well known – it addresses claims to a non-commercial, customary fishing right and provides an input into fisheries management.

As a result of the second part of the settlement, customary fishing regulations were developed by the Crown and Māori. The regulations aim to provide for customary non-commercial fishing, while ensuring sustainability of the resource.

Those given permission to take fish under the customary fishing regulations cannot trade the fish, exchange the fish for money, or accept any other form of payment.

The definition of customary food-gathering in the regulations refers to traditional rights confirmed by the Treaty of Waitangi and the 1992 Settlement Act. Regulations for the South Island were effective from April 1998, and in the North Island and Chatham Islands from February 1999. With

Image removed due to copyright issues

The Dominion Post

The HMNZS Pukaki is the third of four new vessels built in Whangarei for the Royal New Zealand Navy's inshore fleet. Capable of travelling 3,000 nautical miles (5,500 kilometres), the 55-metre ship has a top speed of 25 knots (48 km/h). It carries out tasks such as border patrol and surveillance work for the Ministry of Fisheries, New Zealand Police, and the Department of Conservation.

an amendment to the North and Chatham islands regulations in November 2008, customary food-gathering (the taking of fish, aquatic life, or seaweed) covers all species that are managed under the Fisheries Act 1996, including those that are taken in fresh water.

The regulations cover non-commercial customary fishing only, and do not remove the right of tangata whenua ('people of the land' or Māori) to catch recreational limits under amateur fishing regulations. They do not provide for commercial fishing.

The establishment of mātaihai reserves is also covered by the regulations. These reserves provide a tool for tangata whenua to manage all non-commercial fishing in some of their traditional fishing grounds. Generally, there is no commercial fishing within mātaihai reserves.

The regulations apply only where Māori have appointed tangata tiaki for South Island areas and tangata kaitiaki for the North and Chatham Islands. These individuals, or office-holders, can authorise customary fishing within their area (rohe moana), in accordance with tikanga Māori. They are chosen by the area's tangata whenua, and following a submission process, and if necessary a dispute resolution process, their appointments are confirmed by the Minister of Fisheries.

In the regulations, tangata whenua is defined as the whānau, hapū, or iwi (family, subtribe, or tribe) that hold manawhenua manamoana (status and rights) over a particular area.

At December 2009, 127 tangata tiaki had been appointed in the South Island and 276 tangata kaitiaki in the North Island.

New Zealand control

New Zealanders and New Zealand companies have held control of New Zealand's fisheries resources since the introduction of the QMS in 1986.

In October 2009 there were 1,262 domestic-registered commercial fishing vessels in New Zealand. There were also 20 foreign-registered vessels chartered to New Zealand-owned companies. This charter fleet participates in high-volume seasonal fisheries such as southern blue whiting, jack mackerel, and squid.

Management of foreign charter vessels

Some fishing companies involved in deepwater fisheries choose to charter foreign vessels (FCVs) to harvest their catch allocation. Using FCVs to catch fish is a legitimate option for companies to consider and in most cases fishing companies use them for high-volume, low-unit-value species such as squid, jack mackerel, and barracouta.

In addition to being subject to the same rules and regulations as domestic vessels, FCVs are prohibited from operating in the territorial sea (within 12 nautical miles, or 22.2 kilometres, of the coast). Preventing FCVs from fishing in the inshore grounds ensures access to these areas is only available to inshore and recreational fishers.

FCVs can only be registered for a period of one year at a time, whereas domestic vessels can be registered for up to five years. The annual registration process for FCVs requires chartering companies to provide a realistic catch plan and evidence of how they intend to balance their catch

Combating land-based effects on fisheries

Image removed due to copyright issues

Murray Hicks

Waimakariri River, Canterbury, flowing into the Pacific Ocean.

There is increasing evidence from both New Zealand and overseas that land-based activities such as farming, forestry, and urban development can have a significant impact on fisheries – as well as on the wider ecosystem.

The effects of land-based activities on New Zealand's coastlines and fisheries, such as sediment and nutrient run-off, are growing as road construction and building increases and as rural land is farmed and used more intensively.

The prediction for more extreme rainfall and storms occurring in future years means there is likely to be an increasing amount of sediments and nutrients washing out to sea.

On the North Island's west coast, the entire snapper fishery – from Ninety Mile Beach to the Kapiti Coast – now depends on nursery grounds in the Kaipara Harbour. In northern New Zealand harbours, the most important habitats for baby snapper are subtidal seagrass beds, and horse mussel and sponge communities. The nurseries have now largely disappeared from these sites as a result of activities occurring on the land.

Kaipara Harbour is in a better situation than the Manukau or some of the other west coast harbours of the North Island but it too is under increasing pressure from land development, farm intensification, roading, and forestry in its surrounding catchments.

The Ministry of Fisheries is working with regional councils and other land managers and planners to help them understand the effect land-based activities are having on coastal fisheries and biodiversity. Community groups have also recognised the issue and are working with councils and others to address the problem.

The Integrated Kaipara Harbour Management Group is one such group. Initiated by Te Uri o Hau, Ngāti Whātua, and partners, this group has set itself the task of helping to restore the Kaipara Harbour and its fisheries. The Ministry of Fisheries is participating in this group along with councils, other government agencies, industries, and non-government organisations.

The ministry has asked the National Institute of Water and Atmospheric Research to compile a review of the effects, and some of the fisheries and ecosystems affected, to help with this project.

More information about this issue is available on the ministry's website (www.fish.govt.nz).

Source: Ministry of Fisheries

Managing a sustainable fishing industry

The Ministry of Fisheries has a number of ways of ensuring that fishing remains a sustainable industry.

Bottom trawling is restricted Recent research by scientists shows that less than 10 percent of the New Zealand exclusive economic zone (EEZ) has ever been fished by trawling and 30 percent is closed to bottom trawling, one of the largest bottom-trawl closures within any EEZ in the world.

Independent certification New Zealand hoki was first certified as a sustainably managed fish stock by the international Marine Stewardship Council in 2001 and was re-certified in 2007. Five other fish species are currently being assessed for certification, and if successful, more than one-third of New Zealand's seafood will be independently certified as being sustainably managed.

Protecting marine resources The Ministry of Fisheries invests heavily in monitoring fishing activity, and in encouraging and enforcing compliance with the law. Fishery officers patrol New Zealand's coastline from Stewart Island to Cape Reinga, encouraging all fishers to comply with the fishing rules. Monitoring is also done by satellites, aeroplanes, and patrol boats.

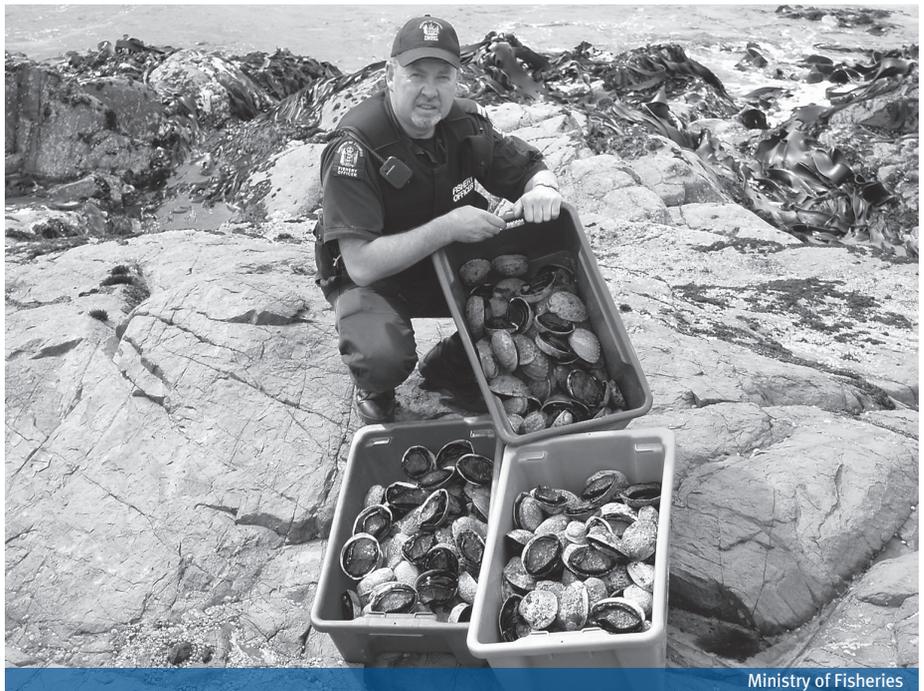
At-sea monitoring Ministry of Fisheries observers spend more than 4,000 days each year on board fishing boats around New Zealand waters, monitoring and recording the fish being caught, along with any interactions with seabirds, marine mammals, or protected corals.

Avoiding accidental bycatch Regulations now ensure that all vessels operating near the main breeding site for the threatened New Zealand sea lion have panels on their trawl nets that allow the animals to escape if accidentally caught.

Regulations and industry agreements have also reduced the number of seabirds that get caught by requiring all large trawl vessels to use devices that scare birds away from fishing gear, and by limiting the amount of fish waste (from fish processing at sea) that is returned to the water.

Coastal areas around the South Island and the west coast of the North Island, the main habitat for Hector's and Maui's dolphins, the world's smallest and rarest dolphins, now have restrictions on recreational and commercial set netting, as well as on commercial trawling.

Source: Ministry of Fisheries



Ministry of Fisheries

Fishery officer Steve Logie with a haul of 340 pāua (316 undersize) taken illegally from the Southland coastline. The apprehension was the result of a tip-off from members of the public. Increased awareness of fishing rules and less tolerance of the few who flout them was illustrated by a record number of calls to the Ministry of Fisheries' 0800 4 POACHER hotline. There were 667 calls to the hotline in February 2010, a 20 percent increase on the previous year.

of QMS species with their annual catch entitlement. Each FCV must also pass a safety inspection conducted by Maritime New Zealand before being registered.

A further pre-registration requirement is that all vessels more than 46 metres in overall length, both domestic and foreign charter, must meet a standard that sets out the minimum acceptable levels of food, accommodation, and amenities to be provided for observers on board vessels. The standard includes minimum bed lengths and head-height requirements.

The Ministry of Fisheries' chief executive is able to place conditions on an FCV's consent for registration. These may include additional observer coverage or requirements relating to certain crew members.

All FCVs must carry a Ministry of Fisheries observer if requested to do so. Observer coverage is high in many of the fisheries that the FCV fleet operates in and it is not unusual for 30 to 40 percent of these fishing trips to be observed, particularly in the squid and jack mackerel fisheries.

FCVs are an important component of the New Zealand fishing fleet and the export revenue generated by the fish they catch makes a significant contribution to the New Zealand economy.

Māori Fisheries Trust Te Ohu Kai Moana

The Māori Fisheries Act 2004 provides a way that fisheries assets handed to Māori to settle Treaty of Waitangi commercial fishing claims can be returned to iwi (tribes). The Act put in place the allocation model devised by the former Treaty of Waitangi Fisheries Commission through almost 12 years of discussion and consultation with iwi.

Te Ohu Kai Moana Trust was created to hold the assets in trust until allocation and transfer to iwi. Te Ohu Kaimoana is its corporate trustee.

The Act also led to the creation of Aotearoa Fisheries Limited (AFL) as the commercial entity for some of the assets that were retained and managed centrally.

Each iwi's share of the Māori fisheries settlement is calculated according to the length of coastline the iwi has within its rohe (tribal district), and/or the size of its population. Assets include shares in AFL, cash, and fishing quota.

Under the Act, iwi must meet certain structural and constitutional requirements before becoming eligible to receive assets. Once these requirements are met, an iwi organisation is approved as a mandated iwi organisation and becomes entitled to receive assets.

Since 2004, Te Ohu Kaimoana has facilitated the transfer of more than \$480 million worth of fisheries settlement assets to 50 mandated iwi organisations.

Two other trusts also form part of the settlement model – Te Putea Whakatupu Trust, to promote educational advancement of Māori in the fishing industry and wider community, and Te Wai Māori Trust, to advance Māori interests in freshwater fisheries.

Te Ohu Kaimoana provides an advisory and policy-making role on marine and freshwater environment matters on behalf of iwi and is also the corporate trustee of the Māori Commercial Aquaculture Settlement Trust (Takutai Trust). The aquaculture settlement provides iwi that have a coastal rohe with up to 20 percent of any new marine farming space approved, from September 1992. The Crown is obliged to provide iwi within a region with 20 percent of any new marine farming space approved after 1 January 2005.

Te Ohu Kaimoana worked with iwi and the Crown to agree on a compensation package for the Coromandel and the South Island regions. Following amendment to Māori aquaculture legislation in April 2010, \$97 million was transferred to Te Ohu Kaimoana for transfer to iwi, or investment.

Seafood industry

Exports

The seafood industry generated \$1.36 billion in export receipts in the year ending 31 December 2008.

The top export species were mussels, rock lobster, hoki, and squid. Mussels have had significant growth in export receipts since 2003, and have become the most valuable export species as a result of product growth. The aquaculture sector is focused on becoming a billion-dollar industry. Hoki exports have shown a downward trend, following reductions in the total allowable commercial catch in 2003 and 2004. The catch for hoki increased 22 percent in the 2009/10 fishing year and hoki exports are expected to rise again as a consequence.

New Zealand seafood exports are sensitive to currency fluctuations. The US dollar reached its highest rate in more than 20 years in July 2007, at US80 cents to NZ\$1. Through the 2008–09 recession period the New Zealand dollar continued to fluctuate against the US dollar, ranging from the mid-50s to 70 cents. A stronger New Zealand dollar means that sales denominated in US dollars are worth less when the proceeds are repatriated in New Zealand dollars.

The United States is New Zealand's third-biggest seafood market after Australia and Hong Kong.

Image removed due to copyright issues

Table 19.10

Total allowable commercial catch 2009/10 fishing year		
Species	Sum of TACCs ⁽ⁱ⁾ (tonnes)	Number of fish stocks
Arrow squid	127,332	4
Hoki	110,010	2
Jack mackerel	60,547	4
Southern blue whiting	41,848	5
Barracouta	32,672	5
Ling	22,226	8
Oreo	18,860	5
Hake	13,211	8
Spiny dogfish	12,660	4
Blue mackerel	11,550	5
Orange roughy	11,062	7
Silver warehou	10,380	4
Red cod	8,278	5
Tarakihi	6,439	8
Snapper	6,357	6
Flatfish	5,418	5
Giant stargazer	5,411	8
Gurnard	5,181	6
Red bait	5,050	4
Common warehou	4,512	6
Frostfish	4,019	10
Trevally	3,933	5
White warehou	3,735	9
School shark	3,436	8
Cockle	3,214	14
Cardinal fish	3,148	10
Other (72 species)	63,876	467
Total	601,217	632

(i) Total allowable commercial catch.

Source: Ministry of Fisheries

Table 19.11

Registered commercial fishing vessels At 30 September		
Year	Foreign chartered	Domestic
2000	37	1,752
2001	36	1,688
2002	37	1,674
2003	37	1,565
2004	35	1,474
2005	32	1,381
2006	30	1,335
2007	27	1,280
2008	23	1,262
2009	22	1,259

Source: Ministry of Fisheries

Table 19.12

Seafood exports ⁽¹⁾												
By principal species												
Year ending 31 December												
Species	2003		2004		2005		2006		2007		2008	
	Quantity Tonnes (ooo)	Value \$ (million)										
Squid	28.0	133.3	30.3	141.4	34.0	166.6	35.1	181.7	36.1	174.5	32.7	203.5
Mussels	2.2	113.0	2.1	101.6	2.4	113.9	2.4	127.0	2.3	121.7	2.6	179.5
Hoki	64.3	230.0	51.0	174.1	42.7	152.1	41.6	155.5	40.1	141.3	38.7	151.3
Rock lobster	36.0	69.0	69.8	171.8	70.9	168.1	56.8	118.0	56.4	85.7	46.4	71.1
Abalone/pāua	30.4	28.1	34.1	31.6	37.4	39.9	35.7	47.9	32.8	43.0	41.0	62.1
Orange roughy	5.9	78.5	6.0	89.8	5.0	69.7	7.3	83.9	6.9	56.6	5.9	60.8
Ling	0.8	54.6	0.8	52.4	0.7	50.2	0.8	54.3	0.9	58.0	0.7	46.3
Hake	4.8	39.3	4.5	35.9	3.3	27.6	4.6	42.5	3.3	36.1	3.5	44.5
Salmon	9.0	51.7	9.0	47.5	8.1	47.3	6.9	51.0	6.6	54.4	5.4	40.5
Warehou	10.3	32.2	15.0	35.9	12.1	27.1	10.9	28.4	13.3	30.0	14.3	38.3

(1) Valued free on board at New Zealand ports.

Source: New Zealand Seafood Industry Council

Table 19.13

Seafood export markets ⁽¹⁾													
By top 6 destinations													
Year ending 31 December													
Destination	2003		2004		2005		2006		2007		2008		
	Value \$(million)	Proportion of total (Percent)											
Australia	197.5	16.4	195.5	15.4	189.0	15.0	219.9	16.3	233.5	18.6	247.6	18.3	
Hong Kong (SAR)	138.1	11.4	135.4	10.6	137.5	10.9	165.7	12.3	173.2	13.8	224.3	16.6	
European Union	220.2	18.2	250.1	19.7	260.9	20.7	252.6	18.7	211.9	16.9	193.1	14.3	
United States	211.9	17.5	208.4	16.4	196.7	15.6	209.9	15.5	159.1	12.7	182.4	13.5	
People's Republic of China	79.3	6.6	120.3	9.5	134.4	10.6	125.9	9.3	117.1	9.3	161.3	11.9	
Japan	186.5	15.4	167.2	13.1	136.6	10.8	143.1	10.6	121.3	9.7	116.3	8.6	
Other markets	174.4	14.4	194.9	15.3	207.0	16.4	234.0	17.3	237.3	18.9	229.2	16.9	
Total	1,207.9	100	1,271.9	100	1,262.1	100	1,351.1	100	1,253.4	100	1,354.2	100	

(1) Valued free on board at New Zealand ports.

Note: SAR special administrative region.

Source: New Zealand Seafood Industry Council

Table 19.14

Seafood exports												
By volume and value ⁽¹⁾												
Year ending 31 December												
Species group	2003		2004		2005		2006		2007		2008	
	Quantity Tonnes (ooo)	Value \$ (million)										
Finfish (wetfish)	228.6	785.4	229.3	751.8	220.5	698.8	219.8	811.7	215.1	777.6	210.0	806.9
Shellfish	67.9	280.3	105.0	393.2	110.4	417.9	98.0	390.0	97.4	345.5	83.1	347.6
Rock lobster	2.2	113.0	2.1	101.6	2.4	113.9	2.4	127.0	2.2	121.4	2.6	180.0
Other crustacea	1.8	29.7	1.5	25.4	1.8	31.4	1.4	22.4	0.9	9.1	1.0	21.2
Total	300.6	1,208.4	337.9	1,272.0	335.1	1,262.1	321.6	1,351.1	315.6	1,253.6	296.8	1,355.3

(1) Valued free on board at New Zealand ports.

Source: New Zealand Seafood Industry Council

Contributors and related websites

MAF Biosecurity New Zealand – www.biosecurity.govt.nzMāori Fisheries Trust Te Ohu Kaimoana – www.teohu.maori.nzMinistry for the Environment – www.mfe.govt.nzMinistry of Agriculture and Forestry – www.maf.govt.nzMinistry of Fisheries – www.fish.govt.nzNew Zealand Forest Owners Association – www.nzfoa.org.nzNew Zealand Seafood Industry Council – www.seafood.co.nzNew Zealand Trade and Enterprise – www.nzte.govt.nzNZ Wood – www.nzwood.co.nzScion – www.scionresearch.comStatistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

The Dominion Post

Civil engineer Chris Jones walks past a wind turbine tower that will stand 111 metres high at the Meridian wind farm near Wellington. Sixty-nine barge trips from Shakespeare Bay near Picton brought the components across Cook Strait to the Makara site. The 62-turbine development has a capacity of 143 megawatts and can power the equivalent of 70,000 average New Zealand homes.

20 | Energy and minerals

Energy

New Zealand has an abundance of natural energy sources and is self-sufficient in all energy forms apart from oil, on which it has a high reliance.

Energy flows through New Zealand from supply to end use. In the process, some energy is transformed into another type, such as coal or gas into electricity. The nature and way New Zealand produces and uses energy directly affects its international competitiveness, economic growth, and the quality of its environment.

Like the rest of the world, New Zealand faces the challenge of delivering secure energy at affordable prices to support economic development, while also being environmentally responsible by reducing carbon emissions from energy production and use.

New Zealand's energy strategy

The New Zealand Energy Strategy is the Government's vision for the New Zealand energy sector – setting out the role of energy in the economy and how New Zealand can make the most of its potential energy resources while being careful about the environment.

Initially released in October 2007, an updated version of the energy strategy was expected in 2010. More information is available on the Ministry of Economic Development's website (www.med.govt.nz/nzes).

Energy efficiency and conservation strategy

The New Zealand Energy Efficiency and Conservation Strategy (NZECS) sets out the Government's commitment to energy efficiency, energy conservation, and renewable energy. The use of energy-efficient technology and practices, energy conservation, and renewable sources of energy can improve economic performance.

The NZECS is required under the Energy Efficiency and Conservation Act 2000. It aligns with, and helps deliver on, the energy policy context set out in the New Zealand Energy Strategy.

Petroleum action plan

New Zealand's largely unexplored petroleum resource could be one of the country's most significant economic opportunities and the Government is committed to developing its full potential. More

information on the Government's action plan for the petroleum sector is available on the Ministry of Economic Development's website (www.med.govt.nz/petroleum-strategy).

Energy supply and use

Primary energy supply for New Zealand is made up of a mixture of fossil fuels (coal, oil, gas, and waste heat) and renewable resources (hydro, geothermal, wind, biomass, and solar).

'Total primary energy supply' is a measure of the total energy available in New Zealand for electricity generation, direct use (such as heat raised from burning wood) and transformation (such as petroleum refining). Table 20.01 shows total primary energy supply from different sources from 1990 to 2008.

In 2008, total primary energy supply was 766 petajoules (PJ), up 33 percent on the back of strong economic growth since 1990. In 2008, 31 percent was from renewable resources and 69 percent was from fossil fuels.

From an international perspective, New Zealand has a high proportion of renewable energy sources – the third highest in the Organisation for Economic Co-operation and Development (OECD). However, significant growth in transport has seen New Zealand become increasingly reliant on imported oil.

Consumer energy demand was 504 PJ in 2008, down 1 percent from 2007.

Total consumer energy by fuel type since 1990 is shown in table 20.02. A small drop in demand was registered for most energy sources in 2008. However 'other renewables' (that is wind, solar, biomass, and biogas), was up 2 percent in 2008, and geothermal remained unchanged from 2007.

Oil accounts for just over half of total consumer energy, most of which is used as transport fuel. Refined oil products remain the fuel of choice for transport due to their high energy density, convenient liquid form, and relatively low price. New Zealand's high level of vehicle ownership (around 700 cars per 1,000 people, second only to the United States in the OECD), long, thin geography, and reliance on road transport means that until a cost-effective alternative emerges, oil will continue to be an important fuel for New Zealanders.

Primary energy supply and renewable energy

'Total primary energy supply' is a common, though imperfect, measure of a country's energy efficiency. The impact of climate on energy use is not considered, and neither is a country's size or density of population when comparing countries.

The ratio of the 'total primary energy supply' is expressed in 'tonnes of oil equivalent' per person, which is adjusted for net trade and stock changes. Secondary energy production (eg electricity made from using fossil fuels) is not included since the energy equivalent of the primary fuel (eg coal) used to create the secondary energy (eg electricity) has already been counted.

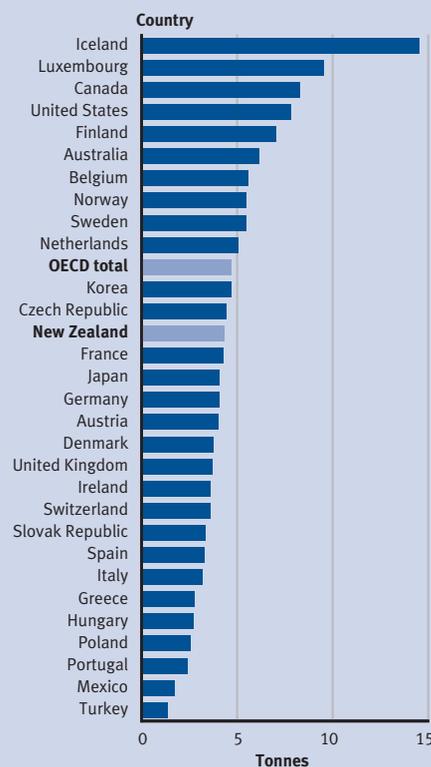
Countries with small populations, such as Iceland and Luxembourg, often have high ratios. Iceland has a cold climate and cheap, non-polluting thermal energy. Luxembourg has a low petrol tax, which brings buyers from neighbouring countries. New Zealand's ratio was below the Organisation for Economic Co-operation and Development (OECD) average in 2007.

The renewables category includes the primary energy equivalent of hydro, geothermal, solar, wind, tidal, and wave-produced energy. It also includes solid biomass, biogasoline, biodiesel, other liquid biofuels, biogas, industrial waste, and municipal waste used to produce energy.

In OECD countries, the total renewable energy supply grew at a faster rate (2.3 percent annually) than the total primary supply (1.4 percent) between 1971 and 2007. Geothermal and combustible renewable methods grew significantly as energy sources, and solar and wind power also had rapid growth where there was government support.

In 2007, the renewables' contribution varied greatly, from 76 percent in Iceland, 50 percent in Norway, and 31 percent in New Zealand, down to less than 3 percent in Ireland, Korea, Luxembourg, and the United Kingdom.

Total primary energy supply per person
Tonnes of oil equivalent
OECD countries, 2007



Contribution of renewables in OECD countries
As a percentage of total primary energy supply
1977 and 2007

Country	Percent	
	1977	2007
Australia	7.3	6.0
Austria	13.4	23.2
Belgium	0.1	6.3
Canada	14.3	16.5
Czech Republic	0.4	4.9
Denmark	2.0	16.8
Finland	19.2	23.2
France	8.9	6.9
Germany	1.5	7.2
Greece	4.3	5.2
Hungary	2.0	5.1
Iceland	51.9	75.5
Ireland	0.8	2.9
Italy	6.0	7.2
Japan	2.0	3.1
Korea	0.4	1.4
Luxembourg	0.8	2.6
Mexico	12.3	9.3
Netherlands	0.3	3.6
New Zealand	27.9	31.0
Norway	40.0	50.4
Poland	1.4	5.4
Portugal	18.3	18.0
Slovak Republic	2.1	5.4
Spain	5.6	7.2
Sweden	19.1	30.0
Switzerland	17.5	19.9
Turkey	25.0	9.6
United Kingdom	0.2	2.3
United States	3.7	5.0
OECD total	4.7	6.7

Source: OECD Factbook 2009

Table 20.01

Primary energy supply								
Year ending 31 December								
Year	Coal	Oil	Gas	Hydro	Geo-thermal	Other renewable ^(a)	Waste heat	Total
Petajoules (gross)								
1990	52.6	128.7	181.2	83.5	92.7	33.8	1.6	574.1
1995	44.5	198.9	179.4	99.1	93.3	35.0	1.6	651.9
2000	49.3	247.3	235.2	88.0	81.2	37.8	1.6	740.3
2005	97.5	277.3	148.9	84.0	89.3	44.1	1.6	742.6
2006	92.4	273.7	154.1	84.9	92.7	44.4	1.7	743.9
2007	69.0	277.2	169.8	85.1	96.9	46.4	1.4	745.7
2008	83.1	280.8	159.9	80.3	113.2	47.4	1.2	766.0

(a) Wind, bioenergy, and solar.

Source: Ministry of Economic Development

Table 20.02

Total consumer energy demand							
By fuel type							
Year ending 31 December							
Year	Coal ^(a)	Oil	Gas ^(a)	Geothermal ^(a)	Electricity	Other renewables ^(a)	Total
Petajoules (gross)							
1990	29.5	161.8	40.3	11.4	99.7	27.0	369.6
1995	26.3	195.6	35.9	13.5	109.3	27.6	408.3
2000	20.0	218.0	43.2	9.5	119.7	29.1	439.5
2005	21.2	252.1	44.1	9.7	133.5	35.6	496.2
2006	23.0	253.3	40.7	9.7	137.9	35.3	499.9
2007	23.6	256.5	43.2	9.8	139.3	36.0	508.4
2008	25.5	255.0	38.8	9.8	138.2	36.6	503.8

(a) Excludes cogeneration. (2) Direct use. (3) Includes wind, solar, and direct use of biogas and wood.

Note: Figures may not add up to stated totals due to rounding.

Source: Ministry of Economic Development

Electricity is New Zealand's second-largest source of consumer energy. Over 42,000 gigawatt-hours (GWh) of electricity were generated, distributed, and used in 2008. Of this, 65 percent is generated from renewable resources (hydro, geothermal, wind, and biomass), with the remainder from fossil fuels (coal, oil, and gas). The mix of generation types each year is determined by factors such as the amount of water available for hydro-generation, available wind energy, and coal, oil, and gas prices.

Image removed due to copyright issues

Sea study swells New Zealand

Not many people know it, but thanks to Kiwi scientists New Zealand has officially become a whole lot bigger.

Scientists at GNS Science and the National Institute of Water and Atmospheric Research played a major role in adding 1.7 million square kilometres of seabed to New Zealand's territory. It is about the same size as Alaska and might contain billions of dollars worth of resources such as minerals and petroleum.

The United Nations (UN) Commission on the Limits of the Continental Shelf has confirmed New Zealand's sovereign rights over this area of seabed, which becomes part of the country's exclusive economic zone. This outcome was the result of 12 years work by scientists and government officials.

The islands of New Zealand are just the tip of a continent, most of which is under the sea, known as the continental shelf.

The UN decision gives the country sovereign rights over more than 5.7 million square kilometres of ocean floor, an area that is 22 times that of New Zealand's land area, is three-quarters the size of Australia, and is 1 percent of the Earth's surface.

The team of scientists surveyed the sea floor, analysed the data, and helped with maritime boundary negotiations with Australia. They collected all existing information about the depth of the water, and the geology and tectonics of the area off New Zealand's coasts. Where there was not enough information, the team completed 13 surveys with specialised vessels, totalling 365 days at sea.

The result was a completely new understanding of the geology and tectonics of New Zealand's marine territory. The work will support research in this area for decades.

The result of the massive project was a 2,600-page submission, plus a stack of supporting documents, that won the admiration of the UN. The strength and credibility of the submission, and of the scientists who prepared it, resulted in quick passage through the UN.

New Zealand secured 98 percent of the ocean floor described in the submission.

The expertise of the scientists who led this project was recognised internationally. They have assisted Brunei Darussalam, Malaysia, the Philippines, Tokelau, and Sri Lanka to prepare their continental shelf submissions to the UN. In addition, a number of countries have sought advice on particular aspects of their claims – including Japan, Denmark, Pakistan, South Africa, Canada, and the United States.

Source: Ministry of Research, Science, and Technology

Otago Daily Times

Spilling at the Benmore dam, when water is released at about 970 cubic metres per second, has proved a popular sight for visitors to the area. Lake Benmore, in Central Otago, has a volume of 12.5 million cubic metres, about 1.5 times as much water as Wellington harbour, and has a generating capacity of 540 megawatts.

Antarctic wind power

The New Zealand energy company Meridian has built the world's southernmost wind farm at Ross Island, Antarctica – part of the Ross Dependency that is a New Zealand territory.

The three turbines were installed on Crater Hill. They started generating renewable energy to power New Zealand's Scott Base and its neighbour, the American base at McMurdo Station, in the 2009/10 summer season.

The three turbines together have a capacity of just under a megawatt. Without them, nearly half a million litres in diesel fuel would otherwise have to be used to provide electricity.

Wind-generated electricity now accounts for nearly all of Scott Base's annual electricity demand, and up to 15 percent of McMurdo Station's.

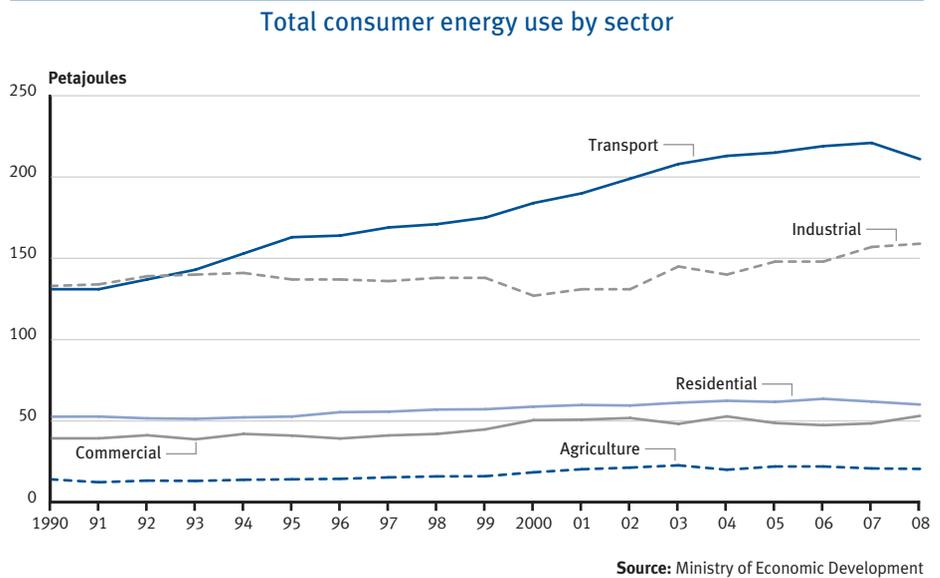
The Ross Island Wind Farm was officially opened in Auckland on 16 January 2010 by Foreign Affairs Minister Murray McCully and the new United States ambassador David Huebner.

There were some notable New Zealanders among the guests, including Sir Edmund Hillary's widow Lady June Hillary and son Peter Hillary, and also James Blake, son of the late Sir Peter Blake.

The highlight of the event was a live televised connection to Ross Island that enabled the Auckland audience to see the turbines spinning on a fine Antarctica day.

Source: Meridian Energy

Figure 20.01



Consumer energy use by sector since 1990 is shown in figure 20.01.

Of the 504 PJ of energy consumed in New Zealand in 2008, 211 PJ was used for transport purposes, accounting for 42 percent of total consumer energy use, almost all from oil products. Energy consumption for transport has grown 62 percent since 1990, largely as a result of rapidly increasing vehicle numbers, larger vehicles, vehicles with more features, and increased demand for mobility and freight haulage.

The industrial sector consumed 159 PJ (32 percent of national consumed energy) in 2008. A few large users dominate this sector – in particular, the basic metals, food, and paper products subsectors. Industrial sector energy use has grown 20 percent since 1990.

The residential sector consumed 60 PJ in 2008 (12 percent). Residential energy consumption has grown 14 percent since 1990. Compared with population growth of around 22 percent since 1990, it indicates that the residential sector is using energy more efficiently.

The commercial sector consumed 53 PJ in 2008 (11 percent). Since 1990, commercial sector energy use was up 35 percent.

The agriculture sector includes farming, other agriculture, hunting, and fishing. In 2008, it consumed 21 PJ (around 4 percent of the nation's energy). This sector has shown a 45 percent increase in energy consumption since 1990, with almost all of this growth concentrated between 1990 and 2000.

Energy sector greenhouse gas emissions The New Zealand energy sector produced 34,262 kilotonnes of carbon dioxide in 2008. This represents about half of New Zealand's gross greenhouse gas emissions, the other half coming from ruminant agricultural activities (such as cattle, sheep, goats, deer). The energy sector emissions have increased 44 percent since 1990, at just over 2 percent per year.

In 2008, transport (approximately 98 percent oil-powered) accounted for 42 percent of New Zealand's energy sector greenhouse gas emissions, with electricity generation (22 percent) and manufacturing industries (18 percent) being the other major contributors. Like many other countries, reducing emissions from transport is a key challenge for New Zealand.

Electricity

Generation Table 20.03 shows electricity generation by fuel type between 1990 and 2008.

Electricity accounted for 27 percent of New Zealand's total consumer energy in 2008, second only to oil. Of this, renewable sources contributed 65 percent of all generation, with 52 percent coming from hydroelectric generation. This level of hydro-generation was the lowest on record because of low rainfall in 2008.

Since 1990, New Zealand's electricity supply has increased 34 percent to over 42,000 gigawatt hours (GWh) in 2008. In 2008, generation was dominated by the five largest electricity generators: Meridian Energy (27 percent), Contact Energy (24 percent), Genesis Energy (22 percent), Mighty River Power (16 percent), and TrustPower (5 percent).

Other renewable resources are becoming significant contributors to New Zealand's generation assets. In 2008, generation from wind turbines accounted for more than 1,000 GWh for the first time on record, and geothermal generation exceeded 10 percent of electricity generation.

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Otago Daily Times

Jennie Upton and Murray Grimwood are happy in their energy-efficient home and say it's just like being on holiday all the time. The New Zealand Energy Efficiency and Conservation Authority provides funding to help insulate houses, and install clean and efficient heating.

Table 20.03

Electricity generation										
By fuel type										
Year ending 31 December										
Year	Renewable					Non-renewable				All fuels
	Hydro	Geothermal ⁽¹⁾	Biogas ⁽¹⁾	Wood ⁽¹⁾	Wind	Oil	Coal ⁽¹⁾⁽²⁾	Gas ⁽¹⁾	Waste heat ⁽¹⁾⁽²⁾	
Gigawatt hours										
1990	22,953	2,011	131	336	0	9	708	5,335	63	31,546
1995	27,259	2,039	172	336	1	48	882	4,421	63	35,221
2000	24,191	2,756	103	447	119	0	1,389	9,023	63	38,090
2005	23,094	2,981	193	277	608	4	5,423	8,859	62	41,500
2006	23,337	3,177	215	299	615	22	5,110	9,272	68	42,116
2007	23,404	3,354	208	314	920	1	2,896	11,127	53	42,278
2008	22,091	3,962	202	318	1,047	123	4,446	10,010	47	42,246

(1) Includes generation from co-generation plants. (2) To better align with international reporting, generation from industrial waste heat where the primary energy source is a fossil fuel is now entered under the primary source (principally coal).

Note: Figures may not add up to stated totals due to rounding.

Source: Ministry of Economic Development

Geothermal generation will be important for New Zealand in the future because significant geothermal resource exists in the central North Island, and impending greenhouse gas emission restrictions are making it less desirable to burn fossil fuels to generate electricity.

Transmission and distribution All large-scale generators in New Zealand generate electricity for supply directly into the high-voltage national transmission network operated by Transpower. From here most electricity is supplied to lower voltage local distribution network companies for supply to households and business throughout New Zealand.

The remainder of electricity (around 20 percent) is supplied directly from the Transpower network to a small number of large industrial users, including the Tiwai Point aluminium smelter and the Glenbrook steel mill. In addition, some very large industrial consumers have their own thermal generation plants and consume this generation onsite.

An increasing amount of electricity is generated directly into local distribution networks (called 'distributed generation'). This has a number of advantages including local load management and minimising transmission losses.

Power transmission between the North and South Islands is through a high-voltage direct current link from the Benmore power station in the South Island to Haywards substation just north of Wellington. Part of this link is a submarine cable under Cook Strait, which allows surplus power generated in the South Island to be transmitted to the North Island, where demand is greater. It also allows transmission from north to south.

The distribution sector's 29 power-line companies are responsible for approximately \$7.4 billion in assets, a predicted \$7.5 billion spend on capital and maintenance expenditure over the 10 years

Life off the grid

Jennie Upton and Murray Grimwood's house near Dunedin is not hooked up to the national grid. The power to run their home comes from a simple solar panel and a wood stove, with backup from a petrol generator when needed.

The open-plan, two-level home was built on a tight budget using 'super-insulating' chiller panels, usually used in cool stores, with inside walls made from single-plywood sheet. The north face of the house is mainly windows, which trap the sun and efficiently feed the heat back into the house through wooden air vents.

Lighting is provided by home-made LED lights, which use barely any electricity, and cooking is done on a gas hob and wood stove. The fridge is a converted chest freezer, placed on the shady, south side of the house. Its body sits outside the house but is accessible by its lid, which has been built into the kitchen.

When they need to turn the petrol generator on for the washing machine, the few gadgets they have, like the computer and phones, are charged at the same time. It costs about \$30 a month to run the generator.

Ms Upton said their sons were well used to having to budget energy. "They know if they want to play the stereo loud, it has to be their car stereo."

If they want to watch TV, the deal is that they have to pay for the generator.

Ms Upton said they made a conscious decision not to have 'gadgets' in the kitchen, foregoing the jug, toaster, microwave, and other appliances found in most family homes.

The aim is to use as little energy as possible, so they don't have to create a lot.

Source: Otago Daily Times

Table 20.04

Electricity consumption	
By sector	
2008	
Sector	GWh
Agriculture	
Agriculture and hunting	1,753.78
Fishing	128.50
Total agriculture	1,882.28
Industrial	
Other primary industry	386.93
Food processing	2,178.59
Textiles	151.50
Wood, pulp, paper, and printing	3,439.17
Chemicals	781.90
Non-metallic minerals	261.07
Basic metals	6,378.49
Mechanical and electrical equipment	251.27
Building and construction	217.39
Unallocated	762.58
Total industrial	14,808.87
Commercial	9,264.56
Residential	12,432.22
Total consumption	38,387.93

Source: Ministry of Economic Development

Image removed due to copyright issues

The Dominion Post

Steve Sawyer, the secretary general of the Global Wind Energy Council, experiences Wellington's wind power first hand. The world's wind-power capacity grew by 31 percent in 2009, according to the Global Wind Energy Council. In New Zealand wind-power capacity grew by just over 50 percent during 2009 and now provides 3 to 5 percent of New Zealand's annual electricity supply.

Electricity efficiency

Electricity efficiency programmes run by the Electricity Commission are making a significant contribution to reducing consumption. Annual savings are about the same as Rotorua's annual electricity consumption.

The commission has three programmes:

The Efficient Lighting Programme – A study on electricity efficiency potentials highlighted lighting as the single biggest area of potential savings. This programme operates across all sectors, and focuses on achieving the key objectives of the New Zealand Efficient Lighting Strategy announced by the Minister of Energy in 2008.

The Commercial Buildings Programme – This programme provides financial assistance to businesses for measures such as upgrading to more efficient lighting, installing or replacing inefficient 'heating, ventilation, and air conditioning' systems, installing and upgrading building management and refrigeration systems, and installing monitoring and targeting systems.

The Industrial Sector Programme – This programme focuses on achieving savings by improving the electricity efficiency of motorised systems in industry. It includes a motors bounty scheme (to help replace older, low-efficiency electric motors) and a compressed air systems efficiency programme aimed at embedding 'best-practice' into managing these systems in industry.

Key results to 30 June 2009:

- 444 GWh per annum of electricity savings
- 195.8 MW savings in electricity use at peak times
- 88.9 kilotonnes of carbon dioxide saved through electricity efficiency programmes
- \$32 million net savings to consumers for 2008/09
- average cost to the Electricity Commission of programmes was less than 1 cent per kWh (compared with long-run cost of new generation at 8.5 cents per kWh).

More information is available online (www.electricitycommission.govt.nz).

Source: Electricity Commission

to 2020, and 1.9 million consumers connected by 149,000 kilometres of lines. Line charges have declined in real terms by almost 4 percent since 2001.

Most line companies are owned by local communities, either through trust arrangements or local bodies (while electricity generation and retailing is largely controlled by three government-owned and two privately owned integrated energy companies). Distribution companies are regulated by the Commerce Commission, and also by the Electricity Commission.

Consumption Electricity consumption in New Zealand is dominated by the industrial sector, which consumed 39 percent of electricity demand in 2008. This sector includes an aluminium smelter, a steel mill, several pulp and paper mills, and several large dairy factories.

The residential sector consumed 32 percent of electricity demand in 2008, and the balance of electricity demand was accounted for by the commercial and agriculture sectors (24 percent and 5 percent, respectively).

Table 20.04 shows the full break-down of electricity consumption by sector for 2008.

Electricity Commission

The Electricity Commission Te Komihana Hiko is a Crown entity formed as an independent regulatory body in early 2003 after the industry was unable to agree on self-governance arrangements.

The commission's principal objective is to ensure efficient, fair, reliable, and environmentally friendly production, and the supply of electricity for all consumers. It also promotes and facilitates the efficient use of electricity through a range of best-practice industrial, commercial, and residential programmes.

The commission's key operational responsibilities for the New Zealand electricity system are:

- administering and developing wholesale and retail market performance
- managing security of supply and reserve generation
- evaluating proposals for investment in transmission
- managing systems operation and market disputes.

The commission contracts specialised service providers to operate the electricity system on a day-to-day basis. This includes operating the system, which is contracted to Transpower, and market functions, such as the information system, pricing, clearing, and reconciliation management, which are undertaken by NZX Ltd, and registry, which is provided by Jade Direct NZ Ltd.

The commission's eight work-streams – corporate, electricity efficiency, market governance, modelling and forecasting, retail, system operations, transmission, and wholesale – report to a general manager and are governed by a board appointed by the Minister of Energy and Resources.

More information about the commission and the electricity industry is in *About the New Zealand Electricity Sector*, which is available by email (info@electricitycommission.govt.nz).

Renewables

Renewable primary energy supply Renewable resources play a significant part in the New Zealand energy market. Typically 30 percent of New Zealand's total primary energy supply comes from renewable resources – the third highest in the OECD (behind Iceland and Norway).

Of the 241 petajoules (PJ) of renewable energy that New Zealand used in 2008, 195 PJ (81 percent) was used for electricity generation (33 percent from hydro, 43 percent from geothermal, and 5 percent collectively from wind and bio-energy) and the remaining 46 PJ (19 percent) was used directly.

Direct use of renewable energy Since 2000, direct use has increased 20 percent. Most of the direct use of renewable energy comes from the combustion of woody biomass and animal products (78 percent in 2008) and geothermal heat (21 percent in 2008). The remainder (1 percent in 2008) comes from solar, and biogas and landfill gas.

Figure 20.02 shows New Zealand's direct use of renewable energy in 2008.

Geothermal energy is used directly in the central North Island as a heat source for timber processing and the tourism industry. Woody biomass is used for timber processing (the timber industry burns waste wood to raise heat) and is burned to heat many New Zealand homes. An estimated 0.6 PJ of this comes from the combustion of compressed wood pellets, a very clean and efficient fuel for home heating when used in a specially designed pellet fire.

Use of solar energy in New Zealand is very small, but growing. The applications for this energy are mostly in the residential sector, where solar hot water heating is becoming increasingly popular.

Some landfills and waste-water treatment plants are able to isolate methane as part of their businesses. This gas is used for several applications, including as a fuel for vehicles and other machinery.

Oil

Reserves New Zealand has 162 million barrels of remaining oil, condensate, and naphtha reserves in producing fields. At present, reserves exist solely in onshore and offshore Taranaki.

Significant reserves of oil and gas are also believed to exist in New Zealand's offshore frontier basins, including the Great South, Canterbury, deepwater Taranaki, Raukumara, Reinga, and Northland basins. These basins are largely unexplored.

In 2009, the Government launched a Petroleum Action Plan to maximise the gains from New Zealand's petroleum resources. The aim is to ensure New Zealand is a highly attractive global destination for petroleum exploration and production investment.

Table 20.05 shows the remaining oil reserves, by field, at 1 January 2009.

Production Hydrocarbon production has been significant in terms of the country's economy and fuel needs since the 1960s.

In 2008, 128 PJ, or 21.3 million barrels of crude oil and condensate, was extracted from 17 fields in the Taranaki region – a record year for New Zealand and a 45 percent increase in production compared with 2007. Oil also became New Zealand's third-largest export earner, at \$2.8 billion (a 103 percent increase on the previous year).

Table 20.05

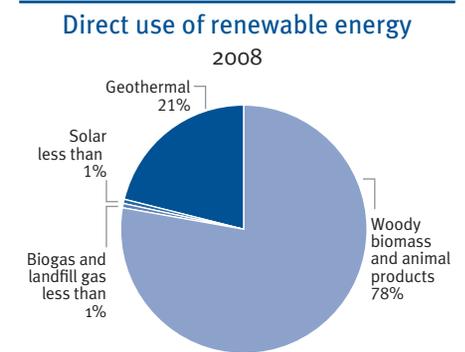
Field	Oil and condensate reserves ⁽¹⁾			
	Ultimate recoverable ⁽²⁾		Remaining reserve at 1 January 2009 ⁽²⁾	
	Barrels (million)	Petajoules	Barrels (million)	Petajoules
Maui	161.3	974.3	11.1	67.3
Kapuni	65.2	287.5	1.9	8.4
Pohokura	59.4	...	49.2	309.5
Maari	51.0	320.0	51.0	320.0
Tui	50.1	318.0	30.3	192.7
Kaimiro/Moturoa	5.2	33.4	1.8	9.0
Ngatoro ⁽³⁾	8.2	52.1	3.3	20.9
Tariki/Ahuroa	6.2	38.5	0.0	0.2
Waihapa/Ngaere	24.2	147.8	0.1	0.5
Rimu ⁽⁴⁾	10.4	63.8	1.8	10.1
McKee	47.7	308.8	0.9	5.4
Mangahewa	2.8	17.9	2.3	13.8
Others ⁽⁵⁾	8.9	53.6	8.4	50.6
Total	500.6	2,615.6	162.1	1,008.4

(1) Reserves are estimated as 'proven and probable' by the field operators. (2) Includes liquid petroleum gas. (3) Includes Goldie well. (4) Includes Kauri well. (5) Includes Cheal, Turangi, and Surrey fields.

Symbol: ... not applicable

Source: Ministry of Economic Development

Figure 20.02



Source: Ministry of Economic Development

Biofuel is a growing business

In March 2010, New Zealand's first public biodiesel refuelling operation was launched in Queenstown by the Energy Efficiency Conservation Authority. Biofuels are fuels that are produced from renewable materials, such as plants or their by-products.

Thirty Queenstown business operators are already committed to the 12-month pilot programme and will run their vehicles on 20 percent biodiesel (B20) mixed with standard diesel. The aim is to eventually have a 100 percent blend available.

Biodiesel blends can be used in virtually all diesel engine vehicles. The pilot programme will test the fuel's compatibility with a wide range of vehicles, including four-wheel-drives and 53-seater buses.

The cost of the biodiesel will fluctuate, depending on market prices, but it is likely to cost the operators about \$1.05 a litre. The 'biogold' fuel used in the Queenstown programme is made by Biodiesel New Zealand Ltd from used cooking oil.

Another biofuel project is taking place in an oxidation pond at a Christchurch wastewater treatment plant. The National Institute of Water and Atmospheric Research has combined its scientific expertise with Southland biofuel company Solray Energy's bio-crude oil conversion technology to make oil.

The project aims to produce 150 to 300 tonnes of algae a year from the five hectares of wastewater treatment ponds. After harvesting and dewatering, the algae could potentially be converted into 45,000–90,000 litres (275–550 barrels) of bio-crude oil by Solray.

The company uses extreme heat and pressure to break the algae down into hydrocarbons – crude oil. This crude oil is then distilled into petrol, jet fuel, diesel, bitumen, and other oil-based products.

The project has already attracted international interest, especially from the United States and China.

Source: Energy Efficiency Conservation Authority; National Institute of Water and Atmospheric Research

Table 20.06

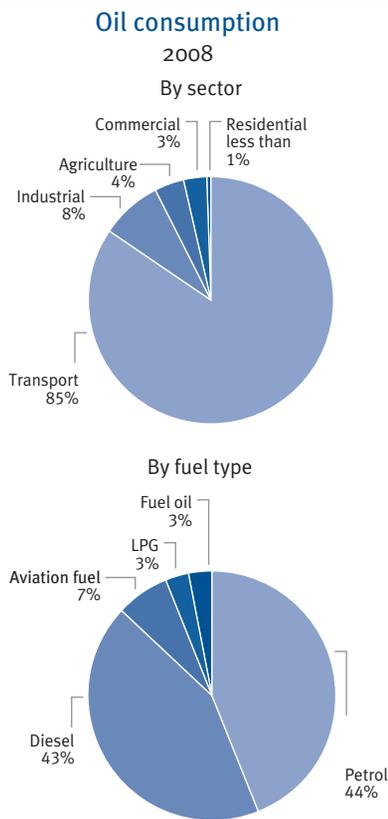
Oil production by field		
2008		
Crude oil, condensate, and naphtha production		
Field	Barrels (million)	Petajoules
Maui ⁽¹⁾	1.848	10.39
Kapuni ⁽²⁾	0.422	2.35
McKee	0.188	1.14
Mangahewa	0.113	0.72
Cheal	0.175	0.98
Turangi	0.214	1.12
Kaimiro/Ngatoro ⁽³⁾	0.187	0.99
Pohokura	4.588	26.39
Tui	13.445	82.73
Other ⁽⁴⁾	0.117	0.69
Total	21.298	127.52

(1) Includes oil production from Maui and Maui F Sands. (2) Excludes natural gas liquids. (3) Includes Moturoa field and Goldie well. (4) Waihapa/Ngaere, Rimu, and Tariki/Ahuroa field, and Kauri and Surrey wells.

Note: Figures may not add up to stated totals due to rounding.

Source: Ministry of Economic Development

Figure 20.03



Source: Ministry of Economic Development

Image removed due to copyright issues

The Dominion Post

Victoria University architecture graduates examine the model of their solar-powered Kiwi bach. They are off to Washington DC in 2011 to build the bach for a competition run by the United States Department of Energy. There is no prize, but all 20 finalists received \$140,000 to buy materials and build their houses in Washington DC. It was the first time a Southern Hemisphere team had been selected for the final stage of the competition, which attracted 307,000 visitors in 2009.

The steep rise in production was mostly due to the Tui field, which contributed 64.9 percent of total oil. The Pohokura field, on stream since September 2006, contributed 20.7 percent. Together, these two fields produced 86 percent of New Zealand's oil – more than compensating for the drop-off in production from Maui, the country's longest-producing field.

The Tui oil field coming on stream has changed the face of New Zealand's petroleum production. Crude oil now dominates, at 71 percent of total production in 2008. Historically, condensate has dominated.

Continued development at Tui, Pohokura, and the new Kupe and Maari fields is expected to further increase New Zealand's oil reserves and production.

Since most New Zealand oil is light (low density) and sweet (low sulphur content), it is highly valuable on the international market. The majority is exported to Australia, Japan, and Korea.

Table 20.06 shows oil production, by field, for 2008.

Supply Most oil used in New Zealand is imported, either as a final product or as crude oil for refining at the Marsden Point oil refinery, near Whangarei.

Over the 2008 calendar year, the Marsden Point refinery processed 234 PJ of crude oil and other feedstocks into 220 PJ of oil products. These products were distributed to Wiri (South Auckland) by pipeline, and elsewhere in the country by coastal shipping and road tanker. To satisfy demand, an additional 104 PJ of oil products was imported from Singapore.

The refinery was significantly expanded in 2009, extending its production capacity to around 120,000 barrels a day.

Consumption and downstream market In 2008, New Zealanders used 255 PJ of oil products – petrol (44 percent), diesel (43 percent), aviation fuel (7 percent), fuel oil (3 percent), and liquid petroleum gas (LPG) (3 percent).

Transport accounts for the majority of oil used in New Zealand (85 percent), followed by the industrial (8 percent), agriculture (4 percent), and commercial (3 percent) sectors. The residential market (not including transport) accounted for less than 1 percent.

Figure 20.03 shows oil consumption, by sector and fuel type.

Natural gas

Reserves New Zealand has 1,771 PJ (equivalent to 11 years worth at current production levels) of natural gas reserves remaining in gas fields located in Taranaki. A further 204 PJ exists in other known gas fields – including the Kupe field (188 PJ), which is under development and started commercial production in early 2010.

As with oil, natural gas is an important and versatile fuel that is used in the North Island. The New Zealand Government is currently encouraging exploration of the sedimentary basins for both oil and gas.

In addition to this, development wells are being drilled into coal seams in the South Island, to test the viability of liberating methane trapped in coal seams. Significant resources of gas hydrates (methane trapped in undersea ice deposits) exist off the east coast of the North Island. These new extraction methods are developing technologies and may prove important for New Zealand in the future.

Table 20.07 shows the remaining natural gas reserves, by field, at 1 January 2009.

Table 20.07

Field	Natural gas reserves			
	By field ⁽¹⁾		Remaining reserve at 1 January 2009 ⁽²⁾	
	Ultimate recoverable ⁽²⁾		Cubic feet (billion)	
	Cubic feet (billion)	Petajoules	Cubic feet (billion)	Petajoules
Maui	3,635.0	4,051.0	274.2	306.6
Kapuni	1,318.0	996.0	155.0	118.0
Pohokura	996.0	1,167.0	864.0	1,012.0
Kaimiro/Moturoa	31.7	33.3	18.2	19.1
Ngatoro ⁽³⁾	28.5	29.9	18.9	19.8
Tariki/Ahuroa	115.5	128.8	2.8	3.0
Waihapa/Ngaere	28.8	32.1	0.6	0.7
Rimu ⁽⁴⁾	22.0	25.8	0.4	0.4
McKee	182.7	208	42.6	44.7
Mangahewa	117.8	129.8	72.2	75.8
Others ⁽⁵⁾	173	181.6	163.0	171.1
Total	6,649.0	6,983.3	1,611.9	1,771.2

(1) Reserves are estimated as 'proven and probable' by the field operators. (2) Excludes LPG. (3) Includes Goldie well. (4) Includes Kauri well. (5) Includes, Cheal, Turangi, and Surrey fields.

Note: Figures may not add up to stated totals due to rounding.

Source: Ministry of Economic Development

Production and supply In 2008, 160 PJ of natural gas was extracted from 14 fields in the Taranaki Basin. The most significant contributors to this production were the Pohokura (41 percent), Maui (30 percent), and Kapuni (12 percent) fields. The gas was transported via pipeline to processing facilities where it was separated into natural gas, liquid petroleum gas, and stabilised condensate. The natural gas was distributed to consumers in the North Island via a pipeline network. Some gas was re-injected into the depleted Ahuroa field for storage. This facility will supply a planned 200 megawatt (MW) gas-fired electricity generator, which will provide extra electricity at times of high demand.

Table 20.08 shows natural gas production, by field, for the year ending December 2008.

Consumption In 2008, 154 PJ of natural gas was used in New Zealand. The biggest use of gas in New Zealand is for electricity generation – 61 PJ was used to generate electricity and a further 23 PJ was used in co-generation plants in 2008. Collectively this accounts for 55 percent of all gas demand.

In 2008, a further 31 PJ (20 percent) of natural gas was used for industrial applications, and 29 PJ (19 percent) was used in manufacturing methanol and urea. Residential and commercial consumers used 4 PJ (3 percent) and 3 PJ (2 percent) of natural gas, respectively. The transport sector also uses a small amount.

Image removed due to copyright issues

Electric cars at rugby event

Electric hire cars should be zipping around Wellington streets in time for the Rugby World Cup in 2011.

The Wellington City Council and Nissan Motor Company are working to make 10 Nissan 'Leaf' vehicles available to visiting rugby fans.

The council's draft climate change action plan refers to electric vehicle availability in prominent tourist localities like Wellington Airport and cruise ship terminals, particularly in conjunction with the Rugby World Cup in 2011.

The council has included \$50,000 for the project in its draft annual plan and work has started to ensure the necessary infrastructure is in place to make electric vehicles viable. This could include establishing a network of recharging points, providing free parking, and allowing electric vehicles to use bus lanes – recognising their zero exhaust emissions.

The council is waiting on details before it can formalise any agreement on the supply of vehicles. Nissan has about 30 prototypes internationally, but they won't start production until later in 2010.

While the vehicles might be available to hire at tourist spots, or used to ferry VIPs around the city, Nissan stressed that the Leaf is an urban vehicle and shouldn't be viewed as a car to drive from Wellington to Auckland.

New Zealand is seen as a 'tier one' customer for pilot programmes such as this one because a large percentage of its electricity is generated using renewable resources.

Source: Wellington City Council

Table 20.08

Field	Natural gas production by field	
	2008	
	Total gas ⁽¹⁾	
	Cubic feet (billion)	Petajoules ⁽²⁾
Maui	45.27	51.87
Kapuni	27.75	21.13
McKee	6.06	6.92
Mangahewa	4.62	5.13
Kaimiro/Ngatoro ⁽³⁾	1.75	1.92
Turangi	4.18	4.78
Rimu/Kauri ⁽⁴⁾	1.82	2.25
Pohokura	60.05	70.59
Tui	5.62	7.59
Other ⁽⁵⁾	1.25	1.57
Total	158.38	173.75

(1) Includes gas flared, gas reinjected, LPG extracted, own use, and losses. (2) In gross calorific value terms. (3) Includes Goldie and Moturoa wells. (4) Includes Manutahi well. (5) Includes Tariki/Ahuroa, Waihapa/Ngaere, and Cheal fields, and Surrey well.

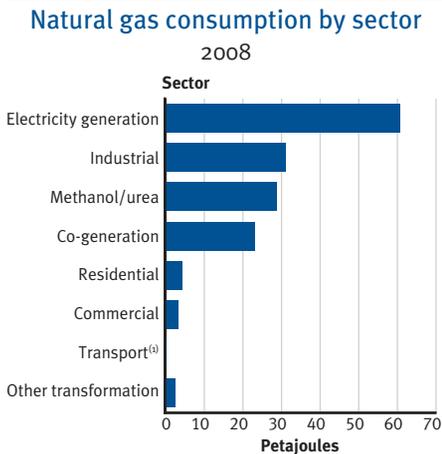
Note: Figures may not add up to stated totals due to rounding.

Source: Ministry of Economic Development

The Dominion Post

Garry Ferguson sits with some of his insulation stock at his Lower Hutt warehouse. The Government's home insulation subsidy is providing \$323 million to help insulate 180,000 homes over four years. The subsidy helps homeowners make their homes warmer, drier, and healthier, and save energy. The scheme has been very popular and is creating about 2,000 jobs in the industry.

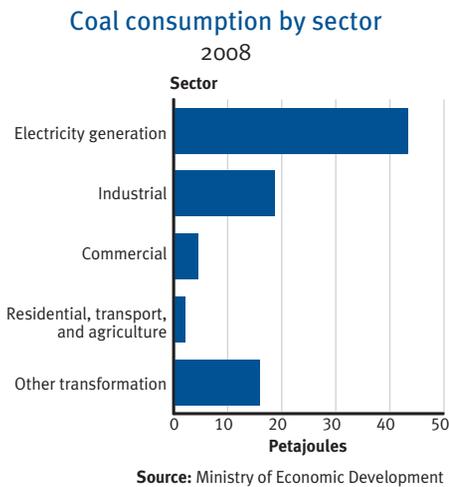
Figure 20.04



(1) Consumed 0.19 petajoules of natural gas.

Source: New Zealand Energy Data File, Ministry of Economic Development

Figure 20.05



Source: Ministry of Economic Development

Coal

Reserves New Zealand has extensive coal resources, mainly in the Waikato and Taranaki regions of the North Island, and the West Coast and Buller, Canterbury, Otago, and Southland regions of the South Island.

National in-ground resources of all coals are over 15 billion tonnes, with 80 percent in the South Island. Around 80 percent is lignite, and 20 percent is bituminous and sub-bituminous coal.

Production and supply In 2008, coal production rose 1.5 percent, to 4.9 million tonnes. While down on a record year in 2006, production was still up 43 percent on a decade before.

In 2008, a total of 127 PJ of coal, 123 PJ of bituminous and sub-bituminous coal, and 4 PJ of lignite was produced in New Zealand. Almost all the 79 PJ of premium quality bituminous coal (2.5 million tonnes) was exported. This product is internationally valued, particularly as a coking coal. It has low ash and sulphur levels, and has excellent swelling, fluidity, and reactivity qualities.

New Zealand imported 14 PJ of sub-bituminous coal from Indonesia, which was used at the Huntly coal-fired power station.

Coal is mined in New Zealand from several opencast and underground mines around the country. In 2008, there were 25 operating coal mines – five underground and 20 opencast. Some 63 percent of all production came from just two opencast mines – Rotowaro and Stockton.

Coal production is increasing, following the new Pike River underground mine beginning production in late 2009.

Table 20.09 shows coal production by region, coal type, and mining method for the 2008 calendar year.

Table 20.09

Region	Coal production					Total
	By region, coal type, and mining method			2008		
	Coal type		Mining method		Kilotonnes	
Bituminous	Sub-bituminous	Lignite	Open-cast	Underground		
Waikato	..	1,769.4	..	1,518.2	251.2	1,769.4
North Island	..	1,769.4	..	1,518.2	251.2	1,769.4
West Coast	2,476.8	134.7	..	2,017.4	594.1	2,611.5
Canterbury	..	18.8	..	18.8	..	18.8
Otago	..	61.3	..	62.7	..	62.7
Southland	..	194.9	252.1	447.0	..	447.0
South Island	2,476.8	409.7	253.5	2,546.0	594.1	3,140.0
New Zealand	2,476.8	2,179.1	253.5	4,064.1	845.3	4,909.4

Note: Figures may not add up to stated totals due to rounding.

Symbol: .. figure not available

Source: Ministry of Economic Development

Consumption In New Zealand, coal demand is dominated by electricity generation. In 2008, of the 85 PJ of coal consumed, 43 PJ (51 percent) was used to generate electricity, almost all at the 1,000 MW Huntly coal-fired power station. As the four 250 MW units at this station reach the end of their economic life, they will be phased out. It is expected that this will happen by 2020.

Industrial applications and other transformation accounted for 19 PJ (22 percent) and 16 PJ (19 percent) of coal demand, respectively. Coal is also an important ingredient in manufacturing steel, and 16 PJ of coal was used for this purpose in 2008.

The commercial sector used 5 PJ (5 percent) of coal consumed in New Zealand. The residential, transport, and agriculture sectors also use small amounts of coal.

Figure 20.05 shows coal consumption by sector in 2008.

Minerals

New Zealand has a wide variety of minerals, reflecting its diverse geology and dynamic tectonic history.

While it is best known for gold production, there is also mining of silver, ironsand, coal, aggregate, limestone, clay, dolomite, pumice, salt, serpentine, zeolite, and bentonite. In addition, there are resources, or potential deposits, of titanium (ilmenite beachsands), platinum, sulphur, phosphate, silica, and mercury.

Image removed due to copyright issues

The New Zealand Herald

The Newmont Favona Mine at Waihi models modern precision mining techniques. It is 4,212 metres long and 332 metres below the surface, has a total surface footprint of five hectares, but has an entrance hole of less than five square metres. The mine is expected to produce about 130,000 ounces of gold and 520,000 ounces of silver each year.

Crown-owned minerals are those that are owned by the Crown, as set out in the Crown Minerals Act 1991. These minerals include all gold, silver, and petroleum (oil and gas) in New Zealand, along with approximately half of in-ground coal, metallic and non-metallic minerals, industrial rocks, and building stones. Together, these resources are referred to as the 'Crown mineral estate'.

Developing New Zealand's mineral resources has great potential both nationally and regionally. The in-ground value of New Zealand's metallic minerals resource is estimated at over \$140 billion, with lignite (coal) alone worth at least an additional \$100 billion. The total current annual production value of petroleum, coal, and other minerals is around \$4.2 billion.

Permits to prospect, explore, or mine Crown-owned minerals are issued under the Crown Minerals Act. The relevant minerals programme and regulations are administered by Crown Minerals, a group within the Ministry of Economic Development.

Exploring New Zealand's petroleum potential

In January 2010, a two-year project began that will survey New Zealand's territory out to the extended continental shelf limit, exploring the country's potential petroleum resources as part of the Government's Petroleum Action Plan.

The Government plans for the website Google Earth (<http://earth.google.com>) to display information from offshore geological, geophysical, and geographical datasets. This will ensure the information is freely available to interested parties around the globe – including oil and gas exploration companies.

Crown Minerals contracted GNS Science to deliver the \$7.6 million Petroleum Exploration and Geosciences Initiative Project – a range of individual projects exploring New Zealand's petroleum potential. Information from the project will supplement seismic data that the Crown is also currently collecting.

"Providing better information about New Zealand's petroleum resources will increase the attractiveness of investing in exploration for local and foreign companies," Gerry Brownlee, Minister of Energy and Resources, said.

In 2008/09, the Government collected \$511 million in royalties from petroleum producers. The petroleum sector currently generates about \$3 billion in export revenue, and the Government estimated this could increase to \$30 billion a year by 2025.

On 1 June 2010, the Government awarded New Zealand's first petroleum exploration permit for the Raukumara Basin, off the North Island's East Coast, to Petrobras International Braspetro BV.

"Petrobras is an international giant in this industry and a world leader in development of offshore drilling technology and production. Given Petrobras's expertise, and financial and technical pedigree, this is an exciting step into areas of New Zealand until now unexplored," Mr Brownlee said.

As the successful bidder, Petrobras was awarded a five-year exploration permit, covering 12,333 square kilometres.

Mr Brownlee said the Government was committed to unlocking the potential of the country's frontier basins, and that the announcement also represented a major step forward in the relationship between New Zealand and Brazil.

New Zealand hopes to foster its economic relationship with Brazil, which is the world's eighth-largest economy with gross domestic product of US\$1.7 trillion.

In January 2010, the Government opened bidding on other petroleum exploration blocks across the Reinga Basin, off the northwest coast of New Zealand.

The exploration blocks cover 105,230 square kilometres and border the Northland Basin that was also open for bidding until August 2010. The results of the bids will be announced later in 2010.

Along with the core actions of the plan, the Government is also reviewing New Zealand's health, safety, and environmental arrangements for offshore petroleum operations. The aim is to ensure that the legislative structure, institutional capabilities, and practices in New Zealand are fit for purpose and compare favourably with international best practice.

More information about the Petroleum Action Plan is available on the Ministry of Economic Development's website (www.med.govt.nz/petroleum-strategy).

Source: Ministry of Economic Development

A permit from Crown Minerals does not give land access, which is negotiated with each landowner and occupier. Environmental impact is regulated under the Resource Management Act 1991, with resource consents being granted by district or regional councils.

Metals

Gold is present in New Zealand in quartz veins. It is finely dispersed through host rocks, and as alluvial gold in river gravels. The 2008/09 year delivered the highest gold production (at 16.27 tonnes or 523,000 troy ounces) from New Zealand mines since 1970. There was a resurgence in alluvial mining, with the number of small businesses in operation up considerably on previous years.

Production was up substantially at the Waihi mine in Coromandel, while the Globe Progress mine at Reefton and Frasers underground mine at Macraes in East Otago had steady increases.

Silver is mainly produced in the Coromandel area and is almost always associated with gold in various proportions. In the 2008/09 year, national silver production totalled 31 tonnes, an increase of 193 percent on the previous year.

Iron sand (or titanomagnetite) deposits in New Zealand are among the most extensive and concentrated in the world. Known placer deposits span a 480 kilometre stretch of coast from the Kaipara Harbour to Wanganui in the North Island. There are also significant deposits on the coast of South Westland. In places, deposits are of a size and quality that suits commercial use, such as in the Waikato's North Head and Taharoa.

Image removed due to copyright issues

Otago Daily Times

Stu Edgcombe is sitting on a gold mine, but is happy to share the riches. He has a 15-year mining right (for 2.5 hectares of land) that permits only manual mining and extraction methods. His Roxburgh business, which teaches how to pan for gold, had 200 customers in the first year. Two jobs have been created so far and Mr Edgcombe hopes to create more. The business now also offers experienced 'panners' the chance to hire a site for a few hours mining.

In the past, there has been little commercial investigation of the offshore potential of ironsand – the majority of work has been undertaken by science institutions. In 2008 this began to change when new prospecting programmes began. Aeromagnetic surveys, and seabed and core sampling by international explorers identified large areas with potentially high concentrations of iron sands. A total of over 38,000 square kilometres, both onshore and offshore, are now under permit or application.

Ilmenite is found in sands along 320 kilometres of the South Island's west coast. The largest known ilmenite resource is at Barrytown, where exploration has defined a 50-million-tonne resource. South of Westport, another quantity of 17–30 million tonnes has been identified. Ilmenite is a source of titanium dioxide, which is used as a pigment in paint, paper, plastics, cloth, and rubber, and to make them opaque. Garnet is a major component of the sand, and zircon is a minor component.

Platinum group metals are being sought in a number of areas in the South Island. The Longwood Range, in western Southland, which consists of a layered gabbro (dark, granular, plutonic, crystalline rock) complex, is the only site in New Zealand where platinum has been produced (in association with alluvial gold).

Other metallic minerals are found in small deposits in many localities. Some areas of Northland, Coromandel, Nelson, and Westland have potential for base metals (copper, lead, and zinc), but there is little prospecting. Iron ore, stibnite (antimony), orpiment (arsenic), chromite, monazite (rare earth element), nickel, and rutile have all been mined in the past. Cassiterite (tin) can be found in Stewart Island. Bauxite is present in Northland, where 20 million tonnes of reserves have been identified. Cinnabar, the principal ore of mercury, has historically been produced in limited quantities from sinter deposits in Northland.

Non-metallic minerals

In the year ending 31 December 2008, 41.9 million tonnes of non-metals (industrial minerals) were quarried in New Zealand.

This was made up of: rock, sand, and gravel for roading (20.8 million tonnes), rock, sand, and gravel for building (9.7 million tonnes), rock, sand, gravel, and clay for fill (4.0 million tonnes), limestone for marl and cement (2.0 million tonnes), limestone for agriculture (1.9 million tonnes), sand for industry (1.1 million tonnes), limestone for industry and roading (874,460 tonnes), pumice (174,129 tonnes), decorative pebbles including scoria (70,405 tonnes), silica sand (48,575 tonnes), building and dimension stone (16,998 tonnes), serpentine (4,494 tonnes), bentonite (753 tonnes), and dolomite for industry (748 tonnes).

Aggregates are produced from a variety of rocks, gravels, and sands, and are used in road construction and concrete manufacture. Suitable rocks for aggregate production are found throughout New Zealand.

Clays found throughout New Zealand include bentonite, halloysite, and kaolinite. They are used in the manufacture of sanitary ware, ceramics, bricks, tiles, pipes, and pottery; as fillers in the manufacture of paper, paint, pharmaceutical, and animal health products; and as pelletising agents. White halloysite from Northland's Matauri Bay is exported for manufacturing fine ceramics and porcelain. Bentonite, found in substantial quantities in Hawke's Bay and Canterbury, is used as a bonding agent and for specialist drilling products. Although bentonite is still imported for drilling operations, because long-established overseas sources are commonly preferred, New Zealand bentonite is being used more.

Dolomite rock, used in agriculture, glassmaking, and for harbour protection blocks, is produced near Collingwood in Golden Bay.

Greenstone is also called nephrite and bowenite, and is popularly known as pounamu. It is found in Westland and northern Fiordland. A deposit of nephrite boulders in a tributary of the Arahura River has been the main source of greenstone. Best known occurrences of bowenite, the serpentine variety of greenstone, are in the Griffin Range in Westland and in Fiordland. Boulders of greenstone are reduced in size using a portable diamond saw, and airlifted by helicopter. Ownership of pounamu was returned to Ngāi Tahu, the South Island's largest Māori iwi (tribe) as part of its Treaty of Waitangi settlement.

Limestone is found throughout New Zealand and is used in cement manufacture, roading, industry, and agriculture. High-quality limestone from Te Kuiti in the North Island and Nelson in the South Island is processed for export. Limestone is also used in New Zealand as a filler in the paint, glass, rubber, plastic, and paper industries. A crystallised form of limestone, marble, is mined in Nelson, and is used as a filler and in building construction.

Salt is produced by the solar evaporation of sea water at Lake Grassmere, in Marlborough. Low rainfall, long hours of sunlight, and the right wind conditions make this locality the most suitable in New Zealand for salt production. About 60,000 tonnes are produced each year for the domestic market.

Serpentine is a magnesium-rich rock which is used as a fertiliser additive, and in the manufacture of decorative tiles. Deposits are mined at Piopio, in the Waitomo district of the North Island (100 kilometres from Hamilton), and at Greenhills in Southland.

Offshore gold

In May 2010, Neil Fraser, manager of the marine mining Seafield Resources project, said drilling of core samples from the sea floor off the South Island's West Coast had been successful.

Airborne magnetic, and ship-based geophysical, surveys had suggested that gold was present in the area. Research showed a number of submerged shorelines, outwash deposits, and post-glacial channels, which could contain gold washed out to sea by high-energy glaciers and rivers on the West Coast.

Seafield aimed to collect 10-metre-long undisturbed geological drill cores of sea floor deposits along a 500-kilometre section of the coast – from the low-water line out to the 12-nautical-mile limit.

The prospect drilling occurred between Greymouth and Ross, and north and south of the Franz Josef and Fox glaciers.

Seafield built their drilling equipment in New Zealand, to cope with local conditions.

The boat used was the Nelson-based *MarSol Pride*, a 60-metre multi-purpose vessel. It had a four-point anchor mooring that was able to keep the ship firmly in one position during drilling.

The sampling tool was able to be winched over the stern of a boat to stand upright on the sea floor while drilling. High-frequency vibrations pushed the core pipe down into the sand or gravel, allowing relatively undisturbed cores to be collected.

Once the drilling tool was recovered on board, the cores were extruded from the barrel into catcher trays, then into thick plastic bags for transporting to a laboratory for analysis and assaying.

Results from the drilling were expected later in 2010.

Source: Crown Minerals

Silica sand deposits are found in Northland and Canterbury, and are mined for use in glass manufacture, foundry moulds, and in the building industry.

Sulphur is used mainly in the production of agricultural fertiliser, and is mined at Tikitere, near Rotorua.

Zeolite is mined at Ngakuru, in the central North Island near Rotorua. It is used in horticulture, and as animal litter.

Other non-metallic minerals, some of which have been mined in the past, are also present in New Zealand. They include diatomite (used for industrial filtration), barite (industrial uses include glassmaking and fillers), asbestos (building material), feldspar (glassmaking, ceramics, and enamels), magnesite (agriculture), mica (electronics), phosphate (fertiliser), talc (cosmetics), and wollastonite (paper, asbestos substitute, ceramics, adhesives, and plastics).

Contributors and related websites

Crown Minerals, Ministry of Economic Development – www.crownminerals.govt.nz

Electricity Commission – www.electricitycommission.govt.nz

Energy Efficiency and Conservation Authority – www.eeca.govt.nz

Foundation for Research, Science and Technology – www.frst.govt.nz

Genesis Energy – www.genesisenergy.co.nz

Meridian Energy – www.meridianenergy.co.nz

Ministry of Economic Development – www.med.govt.nz

Ministry of Research, Science and Technology – www.morst.govt.nz

National Institute of Water and Atmospheric Research – www.niwa.co.nz

New Zealand Minerals Industry Association – www.minerals.co.nz

New Zealand Tourism Research Institute – www.nztri.org

Newmont Waihi Gold – www.marthamine.co.nz

Royal Forest and Bird Society – www.forestandbird.org.nz

Solid Energy New Zealand Ltd – www.coalnz.com

Statistics New Zealand – www.stats.govt.nz

Transpower New Zealand Ltd – www.transpower.co.nz

Trustpower – www.trustpower.co.nz

Wellington City Council – www.wellington.govt.nz

Image removed due to copyright issues

The Press

Henk Littink, voted New Zealand's top cheesemaker of 2010 at the Champions of Cheese Awards, works at Karikaas Natural Dairy Products at Loburn, Canterbury. Originally from the Netherlands, Mr Littink has been manufacturing cheese at Karikaas for 21 years.

21 | Manufacturing

The future of New Zealand manufacturing depends on the sector's ability to innovate and service global markets. To excel in the rapidly evolving global environment, manufacturers have to capitalise on their own initiatives and distinguish themselves from their competitors. Firms have to be innovative, enterprising, and able to respond swiftly to the market.

To achieve this, successful manufacturers encourage high levels of quality in both their operations and their management. The need to remain ahead of the competition has also resulted in increased emphasis on productivity and technology innovation.

The manufacturing sector needs to be aware of, and closely aligned with, market trends. This enables the sector to create new products and services, maximise the resulting economic returns, and move into new products before they become 'standardised' or 'commoditised'.

New Zealand's business environment provides a strong framework for manufacturers to create and capitalise on opportunities. However, the sector needs to continue to respond to the constantly changing global environment. The government, through New Zealand Trade and Enterprise (NZTE), provides a range of export development services and programmes to manufacturing firms. NZTE targets firms that produce low-volume, high-value, niche export-market goods. It works with these firms to develop manufacturing clusters, long-term growth strategies, and access to export markets. Targeted niche manufacturing areas have included engineering, marine manufacturing, plastics and electronics, and the food and beverage sector.

Table 21.01 (overleaf) shows contributions to gross domestic product (GDP) made by the manufacturing sector.

Tariffs

Approximately 80 percent of imports (by value) enter New Zealand free of duty, and most other imports face low tariffs of 5 or 10 percent. The last tariff review, which took place before negotiations began on free trade agreements in 2003, put in place a unilateral tariff reduction programme for the period July 2006 to July 2009. The last reduction in the programme, on 1 July 2009, resulted in the remaining tariffs being either 5 percent or 10 percent.

Tariffs of 5 percent apply to textiles and a range of other products made in New Zealand, such as processed foods, steel, and plastic products. Tariffs of 10 percent apply mainly to clothing, footwear, and carpet.

The Government announced on 1 October 2009 that import tariffs would remain at their current levels until 2015 at the earliest, with the situation after 2015 to be reassessed in 2013.

Table 21.01

Manufacturing sector contribution to GDP			
Year ending 31 March			
Year	Contribution to GDP ⁽¹⁾ \$(million)	Change from previous year (percent)	Total GDP ⁽¹⁾ \$(million)
2002	16,959	0.86	111,470
2003	18,417	8.60	116,913
2004	19,065	3.52	121,931
2005	19,573	2.66	126,394
2006	19,685	0.57	130,383
2007	18,597	-5.53	131,501
2008	18,597	0.00	135,367
2009	17,612	-5.30	133,485

(1) Chain-volume series expressed in 1995/96 prices.

Source: Statistics New Zealand

Business surges despite recession

The New Zealand Honey Company was named the country's fastest-growing business in the 2009 Deloitte Fast 50 awards. Its revenue grew 995 percent between 2007 and 2009.

The Dunedin-based company is owned by the beekeepers who manage its 14,000 beehives. Established in 2005, the New Zealand Honey Company produces specialty wild honeys that are sourced primarily from a single flower species, such as rata or kamahi.

The company sells its high-end products to health shops and supermarkets in the United Kingdom and Asia, focusing its marketing on the nutritional qualities of the honey. It's an example of a business taking an indigenous New Zealand product and developing it into a high-value niche product, according to Deloitte's Fast 50 leader Matt McKendry.

Like other companies featuring in the Fast 50, the New Zealand Honey Company managed its way through the recent economic recession by maintaining a focus on business basics.

Mr McKendry says all the companies kept key elements in mind, "retaining a good team, nailing a product or service niche, having a thorough understanding of their markets, and being active with their customers ... the same things that great performers do in economically rosy times."

Together, the Fast 50 companies contributed \$426 million to New Zealand's economy between 2007 and 2009 and created 784 jobs.

Source: New Zealand Honey Company; Deloitte

Free trade agreements

Bilateral and regional free trade agreements (FTAs) play an increasingly important role in international trade.

In FTA negotiations, New Zealand seeks reciprocal removal of tariffs on all goods. New Zealand's Closer Economic Partnership Agreement with Thailand came into force in 2005; by November 2006, the Trans-Pacific Strategic Economic Partnership (Chile, Brunei, and Singapore) was completed for all partners; and an FTA with China entered into force in October 2008.

Negotiations for FTAs with the Association of Southeast Asian Nations (ASEAN), Malaysia, the Gulf Cooperation Council (Saudi Arabia, Bahrain, United Arab Emirates, Oman, Qatar, and Kuwait), and Hong Kong were concluded in 2009 and these FTAs are expected to be enforced during 2010.

Ministry of Economic Development

The purpose of The Ministry of Economic Development Manatū Ōhanga is to foster economic development and prosperity for all New Zealanders.

The ministry advises the government and implements policy in relation to economic issues, primarily from a business perspective – including telecommunications and information technology, energy and resources, commerce, industry development, small business, tourism, and consumer affairs. The ministry provides advice on issues that affect the business environment as a whole, and advises government on ways to develop the economy.

The Ministry of Economic Development delivers services to business, including administering company registrations and insolvencies; issuing patents and trade marks; licensing petroleum exploration; supervising the management of registered superannuation schemes; ensuring insurance companies comply with relevant legislation; managing the radio spectrum; providing economic development, energy, and tourism data and statistics; and ensuring the safe supply and use of electricity and gas.

The Ministry of Economic Development includes the Ministry of Tourism and the Ministry of Consumer Affairs.

Image removed due to copyright issues

The Dominion Post

The floating oil production ship Raroa arrives in Wellington in 2008. The Ministry of Economic Development is responsible for licensing petroleum exploration in New Zealand waters.

New Zealand Trade and Enterprise

As the government's national economic development agency, the role of New Zealand Trade and Enterprise (NZTE) is to:

- increase the international connections of New Zealand business
- help businesses build their capability
- improve the environment for enterprise and growth.

NZTE's services are targeted to different stages of a business lifecycle, from starting and growing a business through to exporting and becoming international.

Some services are provided directly by NZTE staff in New Zealand and overseas. Others are provided through external organisations, such as regional business development organisations and expert advisers, who are funded by NZTE.

Biz is a specialist information and referral service. It is designed to help people start and develop businesses by providing information, contacts, training, and advice. Biz has a nationwide network of walk-in information centres, a free helpline phone service, and a website that is managed by the Ministry of Economic Development (business.govt.nz).

The **Enterprise Training Programme** provides training on business topics and is available throughout New Zealand. The programme is aimed at motivated owners and managers of small and medium enterprises (SMEs) with the potential to grow. It includes training in areas such as business planning, finance, becoming ready for investment funding, marketing and selling, exporting, and lean manufacturing.

Business Mentors New Zealand provides SMEs with experienced mentors who have proven business skills.

Ecostore wins top award

New Zealand's Sustainable Business of the Year at the 2009 NZI National Sustainable Business Network Awards was ecostore.

The Auckland-based manufacturer, wholesale distributor, and retailer of sustainable household and personal care products also took home the Trailblazer Large and Corporate Award.

Founded in 1993, the ecostore range is produced using sustainably sourced plant and mineral-based ingredients. Its products are sold through supermarkets and health food stores in New Zealand, Australia, the United States, Hong Kong, Singapore, Korea, and Taiwan.

Rachel Brown, chief executive of the Sustainable Business Network, was impressed with the company's efforts to minimise and mitigate the impact of its business activities.

"The theme of this year's awards was Reinvent to Thrive, which is apt when you consider that the supreme winner, ecostore, thrives by producing safer, healthier alternatives to everyday products. Founder Malcolm Rands and chief executive Mitch Cuevas must also be commended for their absolute commitment to sustainability," Ms Brown said.

Source: Sustainable Business Network

Table 21.02

Regional employee count in manufacturing⁽¹⁾

By industry⁽²⁾
2009

Region	Food product	Beverage & tobacco product	Textile, leather, clothing, & footwear	Wood product	Pulp, paper, & converted paper product	Printing	Petroleum & coal product	Basic chemical & chemical product	Polymer product & rubber product
Northland	1,660	40	130	1,170	6	100	340	120	100
Auckland	13,480	2,890	5,360	2,760	1,980	4,900	280	3,040	5,820
Waikato	7,650	110	430	2,260	420	380	3	380	1,080
Bay of Plenty	3,380	150	280	2,120	1,090	330	50	340	530
Gisborne	1,010	150	140	350	0	65	0	12	70
Hawke's Bay	5,400	580	1,000	600	480	170	0	170	160
Taranaki	4,060	35	60	620	0	60	0	360	90
Manawatu-Wanganui	4,260	40	1,240	820	240	240	0	150	440
Wellington	3,270	200	1,110	950	350	1,540	430	590	1,110
Tasman	830	170	30	810	0	15	0	40	0
Nelson	1,180	30	140	340	6	65	12	65	25
Marlborough	1,190	1,170	50	90	0	30	12	15	65
West Coast	670	25	15	170	0	9	0	12	0
Canterbury	12,200	620	2,610	2,200	430	1,400	90	760	2,180
Otago	4,870	430	760	890	65	350	65	120	120
Southland	5,840	3	200	690	0	100	3	70	25

Region	Non-metallic mineral product	Primary metal & metal product	Fabricated metal product	Transport equipment	Machinery & equipment	Furniture & other	Total employed 2009	Total employed 2008
Northland	460	0	600	450	550	200	5,930	6,140
Auckland	3,090	2,450	9,210	5,120	11,300	4,540	76,220	81,320
Waikato	660	560	2,600	1,120	2,350	430	20,440	22,100
Bay of Plenty	310	25	1,130	660	1,500	480	12,380	13,880
Gisborne	30	0	90	18	110	55	2,100	1,940
Hawke's Bay	180	15	710	150	750	380	10,720	11,040
Taranaki	100	240	1,430	270	1,040	190	8,560	8,770
Manawatu-Wanganui	260	30	1,180	500	1,000	480	10,870	12,130
Wellington	350	200	1,400	490	1,590	950	14,540	15,810
Tasman	95	3	200	6	130	40	2,360	2,380
Nelson	30	0	220	230	160	60	2,570	3,060
Marlborough	45	0	250	430	65	95	3,510	3,510
West Coast	190	0	40	0	190	80	1,400	1,530
Canterbury	1,150	350	3,190	3,100	5,690	1,340	37,330	38,440
Otago	330	180	780	320	680	240	10,220	11,110
Southland	200	900	640	230	350	65	9,320	9,660

(1) Employee count is a head count of all salary and wage earners, including working proprietors who also pay themselves a taxable salary or wage. (2) Based on ANZSIC 2006 industry classifications.

Note: Figures may not add to totals due to rounding.

Source: Statistics New Zealand

YikeBike on a roll

Image removed due to copyright issues

The Southland Times

Engineer Peter Higgins (left), with YikeBike inventor Grant Ryan.

The YikeBike, launched internationally at the EUROBIKE trade show in Germany in 2009, was rated the 15th best invention of the year by *Time* magazine.

The Christchurch-made YikeBike mini-farthing (weighing nine kilograms) is the world's smallest and lightest electric folding bicycle. The rider sits on the seat, holds on at the sides, and zooms around at a top speed of 20 km/h.

The vehicle runs on a lithium phosphate battery that charges to 80 percent in about 20 minutes, giving it a range of around 10 kilometres.

Grant Ryan, the Christchurch-based inventor and entrepreneur behind the product says, "What we have done is take a fresh approach to cycle design to give people freedom to commute easily and quickly in crowded urban environments with a minimal carbon footprint. It came out of asking the question about what sort of radical new transport device would help address the challenges of people navigating increasingly crowded, polluted cities throughout the world."

The first 100 YikeBikes were to be road-ready by mid-2010 in New Zealand as well as in the United Kingdom and selected other European countries. The listed retail price is 3,495 euros [about NZ\$7,000].

Source: New Zealand Trade and Enterprise

The **E-business Guide** provides information and advice about information technology and the Internet to help SMEs take their businesses online. It is self-service guide, but access to an adviser is available, if required.

The **Escalator Service** provides specialist skills and assistance to help businesses of any size raise equity funding or complete a strategic relationship that may help them expand, diversify, or commercialise a product or service.

Business Incubators provides support for start-up businesses with high growth potential to help them become established and sustainable. NZTE supports business incubator facilities in Auckland, Palmerston North, Wellington, Christchurch, and Dunedin.

The **Industry Capability Network** helps businesses become involved in major public and private projects being undertaken by prime contractors and multinational companies in New Zealand and Australia.

Industry research for a range of industries is available online (www.nzte.govt.nz). This information is tailored for New Zealand companies interested in doing business in markets around the world.

ProjectLink is an online subscription service that helps New Zealand businesses access engineering and construction opportunities in Australia, sometimes before they go to tender.

The **Beachheads Programme** helps businesses form strategic relationships, providing them with faster access to better international networks in key export markets. The programme centres on a unique partnership between NZTE and successful executives who are willing to share their experience, skills, and business networks.

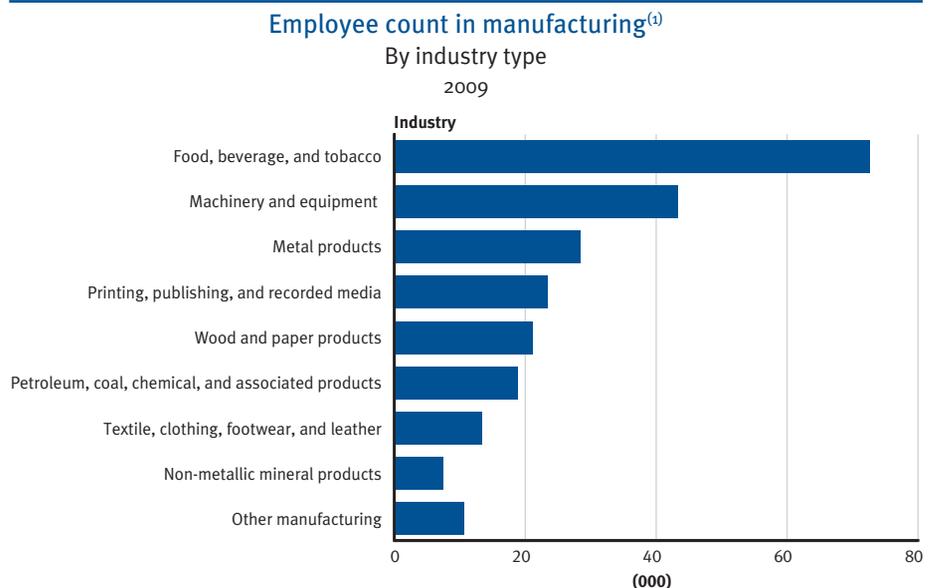
Better by Design includes programmes to help New Zealand businesses create well-designed products and services that help them stand out in international markets. Better by Design is funded by NZTE and overseen by an independent group of design-led business experts.

Lean Business is a programme that helps businesses to improve performance and eliminate inefficient processes.

Manufacturing + provides resources and in-house training to help businesses better understand how to create value for their clients.

The **International Growth Fund** supports business activities that deliver benefits to both the business and New Zealand's wider economy. This fund is only available to businesses working with an NZTE account manager on a package of services tailored to help them develop and grow.

Figure 21.01



(1) The employee count is a head count of salary and wage earners sourced from taxation data.

Source: Statistics New Zealand

Manufacturing groups

Some of the major secondary industries in New Zealand are briefly described below.

Food The New Zealand food manufacturing industry benefits from a natural environment that is highly conducive to pastoral agriculture, a disease-free status, the potential for year-round production, and an international reputation for excellence.

Image removed due to copyright issues

The New Zealand Herald

Chris Knight (left) and Mike Cao, from Janssen's Continental, manufacturers of smallgoods in Brown's Bay, Auckland. They are pictured with the sausages that won them a gold medal in the Great New Zealand Sausage Competition in November 2009.

Sales in the food industry for the year ending June 2009 amounted to \$35 billion, with meat and dairy accounting for \$26 billion (75 percent) of this total. In the same period, food and beverage exports totalled \$21.8 billion.

During the 2007/08 financial year the food manufacturing industry invested \$98 million in research and development, just over 10 percent of the total business sector spend on research and development in that period. At February 2009, more than 77,000 people were employed in the industry.

Plastics The New Zealand plastics industry, excluding composites, had an annual turnover of more than \$2.6 billion in the year ending December 2008, and at February 2008 employed 8,000 people in 400 enterprises.

A major use of plastics is in the packaging industry, which supports New Zealand's agriculture, horticulture, and aquaculture sectors. Other significant end users of plastics include home appliance manufacturers, the information technology industry, and the building and construction sector.

Growth in this competitive and highly technical industry is being driven globally by the increasing substitution of plastics for other less versatile, more expensive materials. The New Zealand industry keeps up with world growth through innovation in process, design, and customer service.

Marine New Zealand's marine industry has built its profile on the back of sporting success in international yachting regattas such as the Olympic Games and the America's Cup. This has led to a worldwide reputation for excellence in the design and construction of top-level racing yachts and super yachts.

New Zealand has set benchmark standards for high performance and advanced technology in the areas of racing technique, boatbuilding and design, refits, sails, spars, electronics, technology, software, and systems.

Annual turnover for boat and ship manufacturing in the year ending 31 December 2008 was \$2.2 billion. Exports totalled \$717 million. In 2008, 1,350 companies were engaged in ship- and boatbuilding, employing more than 10,000 people.

Textiles The New Zealand textiles industry consists of four interrelated sectors – textiles, carpet, footwear, and apparel – and has a reputation for innovative technology and quality products. New Zealand produces some of the finest quality wool and fibre in the world. Local producers' and exporters' knowledge of wool and other fibres is backed by an international reputation for innovation in manufacturing processes and products.

The textiles industry comprises around 1,970 small to medium-sized businesses. It employs approximately 15,450 people and exports around \$500 million of textiles, carpet, footwear, and apparel annually.

The clothing industry is the largest employer in the textiles sector. New Zealand apparel, from high-performance sportswear to children's clothing and designer fashion, is exported around the world and earned around \$150 million in export receipts in 2008. In February 2008 the clothing sector employed around 6,130 people in more than 900 enterprises.

Be-ing a chair wins

Image removed due to copyright issues

The Dominion Post

Ed Burak, Formway's general manager of marketing, in the award-winning Be chair.

It bends and moves to match its occupant's body and motion as they shift from task to task – it's the Be chair.

Flexible, thanks to an 'elastic' plastic more usually seen in car suspension systems, the chair supports the wide range of postures that people move through during a day at the office, in a chair.

In 2009, Formway, the Be chair's designers and manufacturers, picked up the supreme award for a product at New Zealand's Best Design Awards.

Earlier in 2009 the chair had won gold at the biggest trade show in the United States, seven years after Formway won gold for its Life chair.

Winning awards builds the company's profile and helps to market the Be chair internationally.

Although the economic recession of 2009 reduced the office furniture market by around 20 percent, Formway's marketing general manager, Ed Burak, says it's been a great time to develop a product. "We are in a good position for when the recovery takes place," he said.

Formway is a privately owned company based in Lower Hutt, where it began in the 1950s as a small-scale manufacturer of steel-based furniture. By the 1980s the company was focused on design expertise and development.

This focus has paid off.

Today Formway designs are made and sold under licence in the United States and Asia. Exporting the intellectual property and earning royalties brings high value to the company.

Source: Formway

Life cycle management

New Zealand businesses are getting a helping hand to embrace the increasingly important environmental issue of life cycle management (LCM).

With a 'cradle to grave' approach to product management, LCM focuses on minimising the environmental impact of a product's raw materials, manufacturing, transportation, use, and ultimately its disposal.

While LCM is a relatively new concept in this country, it is well established in markets in Europe, United States, and Japan. New Zealand exporters are now under pressure from customers, supply chains, and regulatory authorities to demonstrate LCM practices.

Landcare Research, a Crown research institute, is leading an innovative five-year project to build a comprehensive framework for LCM in New Zealand's manufacturing sector.

Together with Business New Zealand, the Ministry of Economic Development, the Ministry for the Environment, and New Zealand Trade and Enterprise, Landcare Research is partnering with six manufacturers over a two-year period to help them tackle the economic, environmental, and social aspects of LCM, and provide solutions.

Project leader Sarah McLaren says LCM is good for business as well as the environment, as it usually brings about significant cost savings through more efficient use of raw materials, and reduced energy consumption and waste.

In the final three years of the project, findings from the work with the six manufacturers will be used to promote LCM best practice in New Zealand. Throughout the project there will be research and evaluation to learn how companies can most efficiently integrate life cycle thinking into their practices, and how these outcomes can be disseminated throughout the economy.

Source: Business New Zealand

Image removed due to copyright issues

The New Zealand Herald

Will Rouse, chief executive of the design and manufacturing company Simcro, with a pile of drenching guns. The innovative design of the company's new drencher won the Hamilton-based firm a place in the finals of the 2010 Australian International Design Awards. Simcro challenged the design of the traditional pistol-grip drench gun, which had not changed its basic form in 30 years.

Manufacturing statistics

Statistics New Zealand's Quarterly Economic Survey of Manufacturing gives a representative estimate of economic activity, by industry, for the manufacturing sector.

The survey asks for information about values for sales, purchases and operating expenditure, salaries and wages, closing stocks of raw materials and finished goods, and additions to and disposals of fixed assets.

Table 21.03 presents manufacturing economic activity values for recent years, and table 21.04 shows manufacturing sector values, by industry.

Table 21.03

Manufacturing economic activity							
Year ending 31 March							
Year	Sales	Purchases & operating expenditure	Salaries & wages	Stocks of raw materials ⁽¹⁾	Stocks of finished goods ⁽²⁾	Additions to fixed assets	Disposal of fixed assets
\$(million)							
2002	63,365	47,078	8,961	10,290	18,578	2,806	337
2003	65,070	47,612	9,539	10,538	23,744	2,392	327
2004	66,232	48,163	10,300	10,523	25,763	2,698	380
2005	69,555	51,326	10,850	11,538	26,631	2,685	450
2006	70,250	51,612	11,048	11,736	28,591	2,678	503
2007	74,318	53,660	11,479	11,626	28,860	2,599	480
2008	79,286	58,740	11,887	11,983	31,487	2,783	806
2009	83,229	60,738	12,164	13,205	35,195	3,245	729

(1) Closing stocks of raw materials for use in production. (2) Closing stocks of finished goods, trading goods, and work in progress.

Source: Statistics New Zealand

Table 21.04

Manufacturing values					
By industry					
Year ending 31 March 2009					
	Sales	Purchases & operating expenditure	Salaries & wages	Stocks of raw materials ⁽¹⁾	Stocks of finished goods ⁽²⁾
\$(million)					
Manufacturing industry					
Dairy and meat products	25,872	20,699	2,072	1,064	13,327
Other food	8,876	6,629	1,142	1,171	2,941
Beverages, malt, and tobacco	3,793	2,466	446	1,124	3,626
Textiles and apparel	2,168	1,480	486	652	1,137
Wood products	4,248	3,151	786	621	2,018
Paper and paper products	2,968	2,316	368	644	1,029
Printing, publishing, and recorded media	3,623	2,079	1,007	405	416
Petroleum and industrial chemicals	3,395	2,604	267	C	C
Rubber, plastic, and other chemical products	4,787	3,439	879	1,086	2,409
Non-metallic mineral products	2,873	1,974	465	C	C
Basic metals	3,093	2,174	416	642	886
Structural, sheet, and fabricated metal products	5,305	3,571	1,082	1,068	1,186
Transport equipment	2,865	1,814	726	924	734
Machinery and equipment	7,495	5,010	1,579	1,722	2,603
Furniture and other	1,868	1,332	442	507	505
All manufacturing	83,229	60,738	12,164	13,205	35,195

(1) Closing stocks of raw materials for use in production. (2) Closing stocks of finished goods, trading goods, and work in progress.

Symbol: C confidential

Source: Statistics New Zealand

Sun powers super yacht

Image removed due to copyright issues

PlanetSolar

The futuristic shape of PlanetSolar was revealed at its unveiling on 25 February 2010 at Kiel, in Germany.

The largest solar-powered boat in the world, PlanetSolar, was launched in Kiel, Germany on 31 March 2010.

The NZ\$36 million super yacht was designed and constructed by Auckland-based company LOMOcean, which was contracted to build it by a German businessman.

PlanetSolar is due to set off on the first round-the-world trip powered by solar energy in April 2011.

PlanetSolar will be able to reach speeds of around 12 knots (22km/h) in ideal, sunny conditions, but will average around eight knots (15 km/h) on the 50,000-kilometre circumnavigation. The journey is expected to take 160 days.

LOMOcean started work in 2008 on the design of the vessel, which is 31 metres long, 15 metres wide, and weighs 75 tonnes. It is powered by approximately 480 square metres of solar panels.

After the circumnavigation challenge, PlanetSolar will be kitted out as a luxury vessel for use as an air-conditioned super yacht capable of hosting 50 guests and sleeping 12.

LOMOcean is owned by boat builder-turned-designer Craig Loomes, his wife Kirsty (the company's financial controller), and composite structural engineer André Moltshaniwskyj.

The company grew out of Craig Loomes' childhood love affair with boats, which turned into a successful career as a boat builder.

A turning point came courtesy of *Ultimate Lady*, a multi-million-dollar 26-metre wavepiercer that won the International Super Yacht Society Design Award in the 23- to 32-metre power category in 1998. The award put the company firmly on the map as one of the world's top super yacht designers.

Source: New Zealand Trade and Enterprise

Image removed due to copyright issues

The New Zealand Herald

Chris and Colleen Bennett pioneered a new footwear category when they launched a range of innovative soft-soled leather shoes for children under the Bobux brand in 1991. Mr Bennett originally created the shoes for his daughter Chloe when she was nine months old; they are now sold in more than 30 countries. Pictured are Mr Bennett with Chloe, now aged 21.

Possum trapping good for business

New Zealand's unique possum/merino industry needs more possum fur to support its export growth. This is according to industry body Textiles New Zealand, which would like to see an increase in possum control by trapping.

New Zealand is the only country in the world producing high-quality possum/merino products. Textiles manufactured from a combination of possum fur and merino wool have the advantage of being 40 percent lighter than woollen products and 50 percent warmer.

The industry is worth more than \$100 million a year, employs 1,150 workers, and pays more than \$40 million in wages into the New Zealand economy.

Textiles New Zealand believes the industry could double its export growth in five years to \$200 million a year and assist merino farmers by doubling the demand for merino wool. The main constraint for the manufacturers is finding enough possum fur to meet the tourist and overseas market demand.

"New Zealand is sitting on a unique opportunity for export and job growth," according to Textiles New Zealand chief executive Elizabeth Tennet.

"What is needed is more possum trapping and the collection of more possum fur. A coordinated system of permits for possum trapping would be a good start."

Source: Textiles New Zealand

Image removed due to copyright issues

The Aucklander

Murray Brown from Browns Brushware, in Auckland. In 2010 the cleaning hardware manufacturing company celebrated its 130th anniversary, having been in the same family for four generations.

Contributors and related websites

Business New Zealand – www.businessnz.org.nz

Formway – www.formway.com

Ministry of Economic Development – www.med.govt.nz

New Zealand Marine Industry – www.nzmarine.com

New Zealand Trade and Enterprise – www.nzte.govt.nz

Plastics New Zealand – www.plastics.org.nz

Statistics New Zealand – www.stats.govt.nz

Sustainable Business Network – www.sustainable.org.nz

Textiles New Zealand – www.textilesnz.org.nz

Image removed due to copyright issues

Otago Daily Times

University of Otago students are welcomed at Puketeraki Marae in early 2010. The Community Trust of Otago provided financial support for the marae's adornment project, which involved embellishing the front porch ceiling of the whareniui (meeting house) and sculpting its waharoa (gateway). The original marae buildings date back to 1870 and have been replaced and restored in stages over the past 20 years.

22 | Housing and construction

Housing

A house provides shelter and security for both families and individuals. A home can fulfil social requirements as well as physical needs, allowing individuals the opportunity to express their aspirations and tastes.

Housing is a central part of the domestic economy, since it is a major source of investment for many New Zealanders and provides employment and livelihood for a variety of trades.

Home ownership is seen as a form of investment savings, an expression of independence, and a way to achieve security and self-determination. While home ownership is still the main form of tenure, the proportion of households that do not own the house they live in has been increasing in New Zealand. In the 2006 Census, 33.1 percent of privately occupied dwellings were not owned by the household, compared with 29.3 percent in the 1996 Census.

The 2006 Census also revealed that the average number of usual residents per household decreased marginally in the 10 years – from 2.8 in 1996 to 2.7 in 2006.

House prices The average sale price for houses in the year ending 31 December 2008 was \$402,782, as shown in table 22.01. This was 1.7 percent lower than the average price for the previous year (\$409,918) and 120.1 percent higher than that recorded 10 years previously in 1998 (\$182,970).

Quotable Value's residential house price index measures changes in the average level of prices paid for residential properties during each quarter. Table 22.02 (overleaf) shows changes in recent years.

Table 22.01

Property type	Average sale price of property					
	By property type					
	Year ending 31 December					
	2003	2004	2005	2006	2007	2008
	(\$)					
Section (bare land)	116,149	145,065	169,799	195,180	209,889	204,700
House	250,391	290,771	327,445	364,920	409,918	402,782
Owner-occupier flat	221,679	249,268	251,062	307,210	334,545	327,773

Source: Quotable Value

Property market regaining ground

During 2009 there was a rather unexpected turnaround in the property market.

The housing market boomed from 2003 and reached its peak in late 2007. During 2008, house values fell steadily in response to the global economic crisis and falling consumer confidence, and many people expected house values to drop considerably.

By April 2009 nationwide values had reached their lowest point, at 9.6 percent below the 2007 peak of the market. Houses in rural areas fell slightly less in value than those in provincial towns and the main urban areas. However, for the remainder of 2009, nationwide house values climbed steadily as consumer confidence improved. By 2007 year-end about half of the losses seen since the peak had been recovered.

This improvement was driven primarily by increasing values in the main urban areas, where there was a general shortage of properties for sale and strong competition among buyers that pushed prices upwards.

In the provincial centres values rose only modestly, and in rural areas house values stayed static throughout 2009.

In April 2010, 5,207 dwellings were sold – down on the 6,161 sold in March and the 6,210 sold in April 2009.

Property prices and sales fell in April, but compared with 12 months earlier, the index had risen by 6.2 percent. However, housing prices were still 3.7 percent below their November 2007 peak.

Source: Quotable Value; Real Estate Institute

Table 22.02

Location	House price index ⁽¹⁾⁽²⁾					
	December quarter					
	2003	2004	2005	2006	2007	2008
Whangarei district	1000	1194	1577	1715	1868	1630
Auckland ⁽³⁾	1000	1057	1184	1273	1390	1250
Hamilton city	1000	1164	1477	1663	1757	1584
Tauranga district	1000	1204	1342	1365	1433	1302
Rotorua district	1000	1142	1510	1709	1828	1624
Gisborne district	1000	1338	1817	2047	2150	1891
Napier city	1000	1174	1342	1352	1396	1258
Hastings district	1000	1215	1385	1439	1508	1386
New Plymouth district	1000	1303	1550	1662	1748	1632
Wanganui district	1000	1379	1814	2043	2172	2108
Palmerston North city	1000	1151	1385	1567	1669	1491
Masterton district	1000	1138	1340	1542	1812	1542
Wellington ⁽⁴⁾	1000	1114	1273	1443	1574	1437
Nelson city	1000	958	1017	1086	1168	1086
Christchurch city	1000	1176	1375	1512	1602	1462
Timaru district	1000	1291	1599	1725	1959	1824
Dunedin city	1000	1214	1349	1435	1949	1379
Invercargill district	1000	1118	1270	1499	1843	1708
All New Zealand	1000	1122	1294	1420	1533	1396

(1) Base: Quarter ending December 2003 (= 1000). (2) Variations in the average age of properties, as an indicator of the average quality of such properties, are eliminated in the index methodology in order to arrive at a valid index of price level changes.

(3) Includes North Shore city, Waitakere city, Manukau city, Papakura district, and Auckland city. (4) Includes Porirua city, Upper Hutt city, Wellington city, and Hutt city.

Source: Quotable Value

House sales In the year ending 31 December 2008, Quotable Value was notified of 50,973 freehold open market house sales, a 40.4 percent decrease from the 85,583 sales recorded in the previous year. Freehold open market sales cover about 80 percent of all house sales, but exclude forced sales, sales between family members with a gift element, and sales of leasehold and mixed-tenure properties.

Housing loans

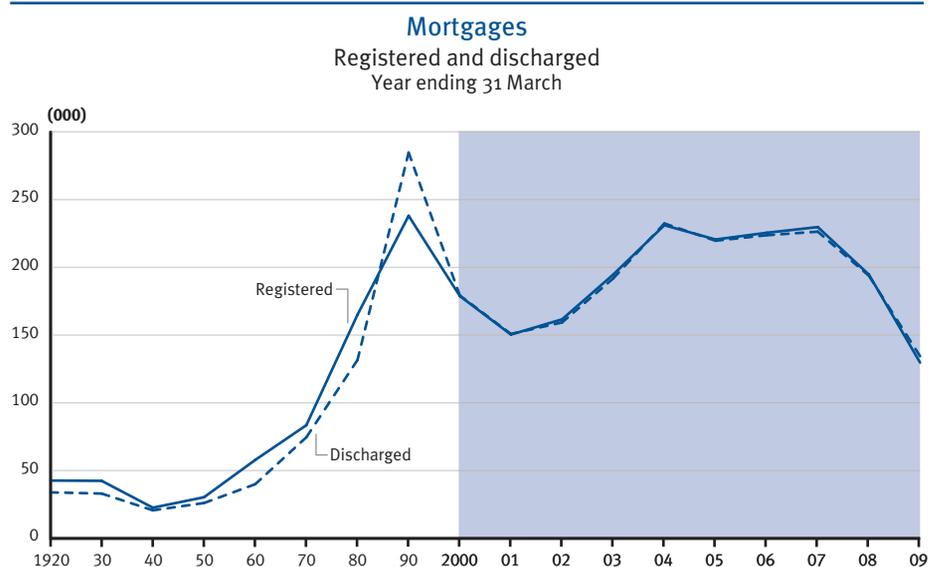
Excluding dwellings on farms, and about 100,000 residential rental dwellings owned by the public sector, there were an estimated 1.49 million privately owned residential dwellings in New Zealand at 31 December 2008.

An estimated 800,000 of these dwellings had a loan or loans secured by mortgage (including residential rental properties and second homes). The average outstanding debt secured on residential dwellings at 31 December 2008 was estimated to be in the \$190,000 to \$200,000 range.

The value of private non-farm residential dwellings was \$568 billion at 31 December 2008. This figure is about 7.5 percent below levels a year earlier but has more than doubled since 2000. Total debt secured on dwellings increased 5 percent in the year to December 2008 and has increased by more than 150 percent since early 2000.

Figure 22.01 shows mortgages registered and discharged between 1920 and 2009.

Figure 22.01



Note: Shaded area shows annual intervals, while the non-shaded area shows 10-year intervals.

Source: Land Information New Zealand

Image removed due to copyright issues

The Dominion Post

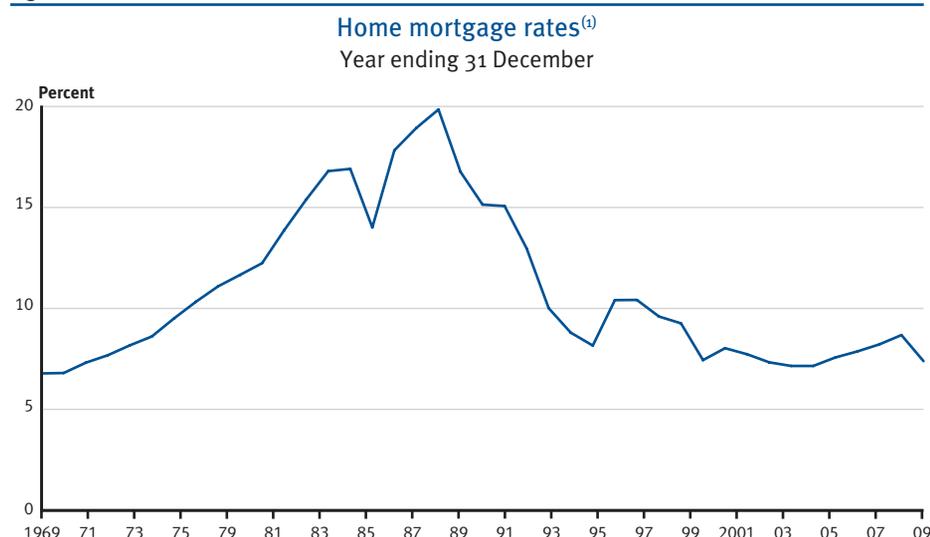
Housing New Zealand tenant Josie Huntley (left) from Porirua, would like to own her own home one day. Housing New Zealand Corporation has a range of programmes that are effective in helping people into home ownership. They aim to improve access to the finance, knowledge, and skills needed to achieve and maintain home ownership.

Mortgage interest rates Since inflation fell to a low rate in the early 1990s, the average annual effective rate of interest on floating-rate mortgages has been considerably lower than it was for the previous two decades, as figure 22.02 shows. In the mid-1990s and 2000s, rising interest rates for floating-rate mortgages reflected tightening monetary policy in response to inflationary pressures.

Fixed-rate mortgages have been widely available in New Zealand since the mid-1990s and most home borrowers have not relied on floating-rate mortgages, tending to borrow for relatively short terms (five years or less) at fixed rates. By the end of 2007, more than 85 percent of all mortgage loans were at fixed rates, up from 60 percent in the late 1990s. This occurred because, for most of the period since then, fixed interest rates were lower than floating rates. While the average floating interest rate during 2007 was over 9.75 percent, weighted fixed interest rates averaged close to 8.00 percent.

In response to the effects of the global financial crisis on New Zealand in 2008–09, the Reserve Bank reduced the official cash rate (OCR) from 8.25 percent in July 2008 to 2.50 percent in April 2009. By late 2009, floating mortgage rates had fallen 4.5 percentage points from their 2008 peak, and made up more than 20 percent of all mortgage loans by value.

Figure 22.02



(a) Annual average floating rate on first mortgages to new customers.

Source: Reserve Bank of New Zealand

Table 22.03

Household borrowing				
By reason for borrowing				
Quarterly				
Quarter		Housing	Other purpose	Total
		\$(million)		
2001	Dec	70,349	7,782	78,131
2002	Mar	72,021	7,798	79,820
	Jun	73,622	7,961	81,583
	Sep	74,983	8,286	83,269
	Dec	77,166	8,721	85,887
2003	Mar	79,746	8,774	88,519
	Jun	82,576	8,977	91,552
	Sep	85,763	9,294	95,057
	Dec	89,589	9,645	99,234
2004	Mar	93,185	9,670	102,854
	Jun	96,767	9,736	106,503
	Sep	100,025	9,929	109,954
	Dec	103,861	10,259	114,119
2005	Mar	107,927	10,504	118,431
	Jun	112,028	10,551	122,579
	Sep	116,142	10,689	126,831
	Dec	120,537	11,314	131,851
2006	Mar	124,436	11,343	135,780
	Jun	128,565	11,379	139,944
	Sep	132,375	11,361	143,736
	Dec	137,006	11,973	148,978
2007	Mar	142,191	11,988	154,179
	Jun	147,134	11,982	159,116
	Sep	150,711	12,106	162,817
	Dec	154,699	12,701	167,400
2008	Mar	158,202	12,733	170,935
	Jun	159,989	12,710	172,699
	Sep	161,046	12,765	173,811
	Dec	161,584	12,918	174,502
2009	Mar	163,008	12,622	175,630
	Jun	164,518	12,286	176,804
	Sep	165,786	12,116	177,902
	Dec	166,968	12,309	179,277

Note: Includes lending by registered banks and non-bank lending institutions, including securitised lending. Housing includes all residential mortgage loans to personal customers. Other purpose loans, whether or not secured by a mortgage, include those identified as being for personal customers, but not used for housing. Figures may not add to stated totals due to rounding.

Source: Reserve Bank of New Zealand

Getting warmer

A new scheme to improve the insulation in New Zealand houses has taken off with a roar. Warm up New Zealand: Heat Smart was launched in July 2009 and by April 2010 about 37,500 houses had been retrofitted.

In fact, the Energy Efficiency and Conservation Authority-administered scheme has been so popular that the Government has boosted funding levels by \$24 million to a total of \$347 million over four years. The programme plans to complete more than 188,500 homes over the four years, or around one-fifth of the 900,000 homes estimated to have substandard insulation.

The criteria are simple. Anyone with a house built before 2000 qualifies for funding of one-third of the cost of ceiling and under-floor insulation, while those with Community Services cards get at least 60 percent of the cost paid for – even more in many cases, due to the additional support of charities, district health boards, and local companies providing a top-up.

The scheme also provides part funding of \$500 (\$1,200 for Community Services card holders) for an efficient heating device, once homes are adequately insulated.

With around half a million New Zealanders expected to benefit over the four years the programme is in place, the impact will be significant.

While improved energy efficiency of homes is one of the goals, the real benefit from the programme is going to come from improved health outcomes for New Zealanders.

New Zealand's high rate of respiratory illness can be linked to the cold, draughty houses, which are typically under-heated, compared with other Organisation for Economic Co-operation and Development countries.

The high uptake of the programme indicates that New Zealanders see the value of a warmer, drier, healthier home, and – with a bit of government assistance – are prepared to invest in the improvements required to get there.

Source: Energy Efficiency and Conservation Association

Housing New Zealand Corporation

Housing New Zealand Corporation is a Crown entity, established under the Housing Corporation Act 1974 and the Housing Corporation Amendment Act 2001, providing housing and services related to housing. The corporation also provides the Minister of Housing with appropriate policy advice and information on housing issues.

The corporation supplies almost 5 percent of housing in New Zealand by directly providing families with a house for an affordable rent. This helps about 69,000 households that may not be able to sustain a private tenancy – owing to low income, poor health or disability (and the need for modified housing), or discrimination in the private sector.

Need assessment A social allocation system is used to ensure those with the greatest need are given priority for housing. In 2008/09, the corporation assessed over 27,000 applicants for housing need, and housed over 9,400 households. At 30 June 2009, there were 261 'A' priority households on the total waiting list of 9,968.

The corporation has over 1,500 properties available for use by community groups and organisations that offer residential support services. The groups renting these properties offer services for people with special health or welfare needs.

Housing stock In 2008/09, a net 529 homes were added to the corporation's housing stock. The figure is the net result of 954 new builds, leases, and buy-ins, less 425 sales and demolitions. Of the net figure, 291 were in the Auckland region, with 100 in South Auckland.

At 30 June 2009, property assets were valued at more than \$14.6 billion. The corporation generated a surplus of \$32 million for the 2008/09 year.

Healthy housing The Healthy Housing programme improves the housing and health of Housing New Zealand tenants. Healthy Housing is a collaborative initiative between the corporation and district health boards and is currently being used in the Hutt Valley, Otara, Glenn Innes, and Mangere. These areas were targeted because there are high rates of housing-related hospitalisations and high concentrations of state housing. During 2008/09, 1,007 households had their living standards improved through the programme, for which the Crown contributed \$10.9 million.

Community renewal The Community Renewal programme is a partnership between Housing New Zealand and people living and working in selected renewal areas. These areas were chosen because they had a high concentration of state housing and poor health and social outcomes.

The corporation works with local communities, councils, and other government agencies to support projects that will be of lasting benefit to people living in renewal areas. Community renewal is more than housing; it also addresses issues such as employment, safety, health, education, and social service delivery.

All six community renewal projects – Otangarei (Whangarei), Northcote (Takapuna), Wiri (Manurewa), Enderley (Hamilton), Fordlands (Rotorua), and Eastern Porirua (Porirua) – achieved 98 percent of their community development plans.

In September 2008, Porirua city was designated a World Health Organization International Safe Community. The corporation was one of seven community agencies that worked together over three years to meet the Safe Communities Foundation's strict criteria. Porirua went on to win the Prime Minister's Award for Public Sector Excellence. This recognised the hard work that had gone into making Porirua a better place to live in – by reducing crime, making the roads and streets safer, and by fostering a community spirit.

Home ownership Owning a home is a challenge for many New Zealanders. Housing New Zealand has programmes that are effective in helping people into home ownership. These programmes aim to improve access to the finance, knowledge, and skills needed to achieve and maintain home ownership.

The Welcome Home Loan aims to bring home ownership within the reach of modest income earners. Housing New Zealand provides mortgage insurance support to lenders to facilitate

Table 22.04

Housing New Zealand Corporation loan approvals

Year ending 30 June

Programme	2004		2005		2006		2007		2008		2009	
	Number	Value \$(m)	Number	Value $(m)	Number	Value $(m)	Number	Value $(m)	Number	Value $(m)	Number	Value $(m)
Papakāinga ⁽¹⁾	1	0.18	2	0.14	4	1.60	4	0.93	6	0.46	14	2.21
Low Deposit Rural Lending	224	17.45	90	6.83	70	6.00	25	2.89	16	1.75	1	0.01
Suspensory ⁽²⁾	388	5.13	429	6.75	396	7.39	405	7.55	331	6.15	439	8.14
General ⁽³⁾	6	0.45	5	0.33	1	0.60	1	0.03	0	0.00	0	0.00
Welcome Home Loans ⁽⁴⁾	367	40.20	597	73.60	791	110.90	1,070	180.70	690	127.71	1,156	227.73

(1) Mortgage finance to build on multiple-owned Māori land – approved and accepted. (2) Loans to cover the cost of urgent and essential repairs, and the cost of installing infrastructure services to new homes. (3) Borrower has to meet Housing New Zealand Corporation's lending conditions and have a deposit of at least 20 percent of the purchase price. (4) Before 1 July 2005 this was called Mortgage Insurance Scheme.

Source: Housing New Zealand Corporation

Table 22.05

Housing New Zealand Corporation statistics

Year ending 30 June

	2004	2005	2006	2007	2008	2009
Total rental units ⁽¹⁾	65,448	66,498	67,117	68,128	68,644	69,173
Number of allocations (new tenancies)	9,453	10,093	10,326	10,433	9,467	9,434
Number of new tenancies for priority customers	7,977	8,428	8,504	8,775	7,978	8,005
Allocation to low-income households (percent) ⁽²⁾	98.3	98.0	98.8	98.4	98.8	98.7
Property disposals ⁽³⁾	563	510	573	596	672	425
Properties acquired or contracted (gross) ⁽⁴⁾	1,466	1,560	1,616	1,452	1,188	954

(1) Includes non-relocatable units, relocatable units, garages, and carparks. (2) Figures denote percentage of new tenancies receiving an income-related rent. (3) Figures are for all property disposals, including sales to non-tenants and lease terminations. (4) Includes transfer of properties to Community Housing Ltd.

Note: Renewed leases for 2008/09 are no longer treated as both acquisitions and disposals; ie acquisitions now include a net new lease number and not a gross number as in previous years.

Source: Housing New Zealand Corporation

lending to low-income households. In the year ending 30 June 2009, the corporation provided 1,156 Welcome Home Loans.

The Welcome Home First Steps programme educates first-time home buyers about the difference between owning and renting a home, financial budgeting, home maintenance, and the process required to buy a home. A total of 5,476 participants benefited from this programme in 2008/09.

Low Deposit Rural Lending is targeted at low and modest income earners who want to buy or build in rural areas. Applicants must complete a home ownership course and meet the corporation's lending criteria before they are eligible for loan assistance.

Housing assistance

The accommodation supplement is available for low and middle income households, irrespective of whether they are renters, mortgagees, or boarders, but is not available to people living in Housing New Zealand Corporation accommodation.

The supplement is administered by Work and Income New Zealand and takes account of higher housing costs in main urban centres. The low-income threshold depends on circumstances, and is subject to an asset test. Table 22.06 (overleaf) shows figures for the number of clients receiving accommodation assistance.

Reintroduction of income-related rents for corporation tenants in 2000 resulted in a large number of people losing eligibility for the accommodation supplement because of lower rent levels. Increases in the number of people receiving the supplement between 2004 and 2006 coincided with the broadening of eligibility to include more working families, part of the Government's Working for Families package.

At 30 June 2009, there were 293,388 people receiving an accommodation supplement, 47,878 more than at 30 June 2008. This increase reflects a rise in the number of people on the main benefits. During the year ending June 2009, 262,361 applications for the supplement were granted, 54,487 more than during the year ending June 2008.

Image removed due to copyright issues

2010 New Zealand Architecture Awards

Landmark new offices, a minimalist cave, and a treehouse were among the outstanding designs recognised in the 2010 New Zealand Architecture Awards.

Eighteen awards were made to 15 buildings in the country's premier competition for design and architecture. A maximum of three New Zealand Architecture Awards can be made in each of 10 categories.

The high-profile Ironbank Centre in Auckland's Karangahape Road won in the commercial and sustainable categories, and also received the 2010 New Zealand Architecture Medal. The building by RTA Studio was judged to have "broken the mould", with judges admiring its cluster of five towers of stacked boxes which provide a dramatic, sculptural form, and the way in which the project was driven by ecological sensitivity.

Auckland designs dominated the awards. Jasmax Ltd captured four awards with the NZI Centre at Auckland Viaduct, a winner in the commercial, sustainable, and interior architecture categories. The Hillcrest Road Bridge on the Northern Toll Road near Orewa was among the winners in urban design.

The competition judges agreed the NZI Centre had set new standards for office space and the expectations of corporate citizens, praising the elegance, quality, stimulating interior, and sustainability principles that are intrinsic to the building's design.

The "evocative and imaginative" Yellow Treehouse restaurant by Pacific Environments Architects NZ, was a winner in the small project architecture category. Built 10 metres up a towering redwood tree in Pohuehue, north of Auckland, it was originally built for a Yellow Pages TV commercial.

Wiroa Station Wine Cellar, designed by Modern Architecture Partners for the Wiroa Station subdivision development and environmental project, was also a winner in the small project architecture category. The communal wine cellar and meeting place was described by judges as a minimalist cave exuding elegance and restraint.

Judges evaluated entries against criteria that included the relationship of a building to its site and context, design quality, building form, structure, and spatial qualities. User satisfaction and environmental aspects were also taken into account.

The main consideration for the judges in assessing projects was how well a project resolves key design issues and then builds on the solution to "contribute to the advancement of architecture".

The New Zealand Architecture Awards were established to celebrate the innovation, creativity, and excellence of projects nationwide.

More information about the awards is available online (www.nzia.co.nz).

Source: New Zealand Institute of Architects

The New Zealand Herald

Workmen clean the outside of the elevator shaft at the Ironbank Centre, a new commercial office and retail building on Auckland's Karangahape Road. The building's cluster of five towers of stacked boxes was admired by judges in the 2010 New Zealand Architecture Awards – for its dramatic, sculptural form, and the way in which the project was driven by ecological sensitivity.

Table 22.06

Accommodation assistance ⁽¹⁾		
Year	Benefits at 30 June (Number)	Annual payment, year ending June \$(million)
2000	315,988	867.0
2001	265,882	795.1
2002	258,034	719.6
2003	251,941	706.0
2004	236,695	702.1
2005	242,612	749.7
2006	249,378	843.2
2007	243,433	877.0
2008	245,510	891.1
2009 ⁽²⁾	293,388	989.3

(1) Accommodation supplement paid by Work and Income.

(2) Expenditure shown is accommodation supplement only, not total expenditure within the ministry's accommodation assistance appropriation.

Source: Ministry of Social Development

Department of Building and Housing

The Department of Building and Housing Te Tari Kauapapa Whare provides information and guidance on building law and compliance. It also provides services, including advice for tenants and landlords, and guidance on how to keep homes weathertight.

The department is responsible for:

- ensuring an effective and efficient regulatory environment for the building and housing sector, including the residential rental housing market, that ensures public safety
- providing policy advice on housing and building issues, including emerging trends and issues
- delivering timely, cost-effective, and accessible information, and advice and dispute resolution services, to the building and housing market
- providing purchase and monitoring advice to government about Housing New Zealand Corporation
- administering the State Housing Appeal Authority
- managing occupational licensing within the building sector.

The department works with Housing New Zealand Corporation on government outcomes for the building and housing sector by analysing the housing environment. This includes providing advice about the supply, quality, and affordability of housing; influencing and working with the wider government and other agencies to ensure they meet the government's goals for housing; and undertaking specific initiatives required by government.

Building and housing sector and regulatory policy The department provides policy advice to government about ensuring the effective performance of the building and housing sectors.

In the year ending 30 June 2009, the department drafted 72 responses to parliamentary questions, 637 responses to ministerial correspondence, and responded to 472 Official Information Act requests.

State Housing Appeal Authority The department is responsible for administering the State Housing Appeal Authority.

Residential Tenancies Act 1986 This Act sets out the rights and obligations of landlords and tenants, and covers issues such as payment of rent, bonds, property repairs, and giving notice.

The Residential Tenancies Amendment Bill will update and modernise the Act. It will, if passed, enable landlords to manage their property portfolios more effectively, and encourage the development of a rental market that would provide stable, quality rental housing. It will also clarify and appropriately balance the rights and obligations of tenants and landlords.

Proposed changes include:

- extending the Act's coverage to boarding houses and to some rented accommodation where services such as meals or cleaning are provided
- increasing the jurisdiction of the Tenancy Tribunal and penalties for breaching the Act
- clarifying responsibility for expenses such as rates, insurance, and water use
- allowing tenant breaches such as subletting to be subject to exemplary damages as an alternative to eviction
- clarifying the status of body corporate rules.

In the year ending 30 June 2009, the department received 214,990 requests for tenancy advice and 215,556 requests for tenancy bond advice. The department received 211,728 bond lodgements, made 223,324 bond refunds, and received 51,162 Tenancy Tribunal applications.

Retirement Villages Act 2003 This Act strengthens consumer protection offered to residents and intending residents of retirement villages. It includes a system for registering retirement villages. Regulations and a code of practice came into force in 2006, 2007, and 2009.

Retirement village operators are required to disclose specific information about the village, the fee structure, and termination agreements to residents and intending residents. The regulations provide for a disputes resolution process.

The department provides education and information on retirement village issues and works with the Retirement Commissioner, who is responsible for monitoring the effect of the Act and regulations, and for appointing the panel members for the dispute resolution process. The Ministry of Economic Development is responsible for registration-related matters, which include acting as the registrar for retirement villages.

Unit Titles Act 2010 This Act governs building developments where multiple owners hold a type of property ownership known as a unit title. Such building developments may be apartment blocks, townhouses, office blocks, or industrial or retail complexes. Unit owners own a defined part of the building, such as an apartment, and have shared ownership in common areas such as lifts, lobbies, or driveways.

Collectively, the unit owners make up a body corporate, which is responsible for maintaining and managing the common property and the building as a whole.

Since the Unit Titles Act 1972 came into force, there have been major changes in the number, scale, and nature of property developments in New Zealand. After extensive public consultation, the department has updated the Act.

The 2010 Act repeals and replaces the existing 1972 Act and introduces changes in several key areas, such as:

- clarifying the rights and responsibilities of unit owners, the body corporate, developers, and tenants
- new voting provisions to make decision making by the body corporate easier
- improved disclosure requirements for vendors and developers
- more cost-effective and appropriate dispute resolution mechanisms
- a broader role for the body corporate in maintaining and managing the building
- providing for bodies corporate to own the common property
- streamlined survey and title processes
- allowing for large, staged, or complex unit-title developments to be set up and managed more easily
- encouraging sound property management practices to protect long-term values and investments.

Weathertight services The Weathertight Homes Resolution Service was established by the Weathertight Homes Resolution Services Act 2002 in response to the emerging 'leaky buildings' problem. A major review undertaken in 2005 resulted in the new Weathertight Homes Resolution Services Act 2006, which came into force in April 2007.

The 2006 Act gave leaky-home owners access to speedy, flexible, and cost-effective procedures for assessing and resolving their claims. A Weathertight Services group, together with the Weathertight Homes Tribunal, replaced the resolution service.

Claimants can bring a claim under the Act by applying to Weathertight Services for an assessor's report. If the claim is found to be eligible, the claimant can proceed to the resolution process. The process offers access to negotiation or mediation for claims where estimated or actual repair costs total \$20,000 or less. All other standard claims can apply to the Weathertight Homes Tribunal for adjudication, which includes an opportunity for mediation.

In late 2009, the Government reviewed the Weathertight Service and changes were implemented on 1 July 2010.

Progress from 1 July 2008 to 30 June 2009:

- 300 new claims received for 783 properties
- 923 properties assessed for eligibility
- 125 already assessed properties received a report revision
- 206 claims resolved.

Total progress to 30 June 2009:

- 5,802 claims for 7,190 properties received
- 1,203 claims resolved
- 1,511 claims pursuing resolution.

Image removed due to copyright issues

Government announces leaky homes package

In May 2010, the Government announced its financial assistance package to help people get their leaky homes fixed faster.

The package centred on the Government and local authorities each contributing 25 percent of agreed repair costs, and the affected homeowners funding the remaining 50 percent, backed by a government loan guarantee provided applicants could meet bank lending criteria. The Government would also cover the administration cost of the new package. Homeowners must have registered a claim within 10 years of their properties being built to take advantage of the package.

The Government said the scale of the leaky homes issue had had a considerable impact on the wealth and health of many thousands of New Zealanders and their families. They also said that even though the Government had no legal liability, the magnitude of the issue meant that central government involvement was essential.

In July 2009, a PricewaterhouseCoopers report estimated that between 22,000 and 89,000 homes were affected, with an estimated 42,000 dwellings likely to be leaky homes. Only a minority – around 3,500 – have been repaired to date.

The term 'leaky homes' refers to buildings where water had penetrated the building envelope or cladding system, and could not drain or dry for some time. The problem affects apartments, townhouses, and stand-alone homes, mostly built between 1992 and 2005.

Local authorities were invited to participate in the package and asked to respond to the Government's offer by 31 May 2010. The eight major retail banks were briefed about the financial assistance package and they indicated their willingness to work with the Government on the detail of the proposal.

If 70 percent of affected homeowners within the 10-year liability limit took up the package, the Government anticipated that its share would be around \$1 billion over five years. The Government hoped to have the new package operating by early 2011.

Affected homeowners would need to make a claim under the Weathertight Homes Resolution Services Act 2006 to access the financial assistance. However, homeowners could apply to the Department of Building and Housing to make a 'weathertight' claim. An accepted claim 'stops the clock' on the 10-year limitation for claims.

The Government said the financial assistance package would be voluntary and in addition to any other dispute or litigation process. However, homeowners who participated in the package would forgo the right to sue local authorities or the Crown.

Homeowners would still have the option to pursue other liable parties, such as builders, developers, and manufacturers of defective products.

Homeowners who currently had claims in the weathertight system that were yet to be resolved would be able to apply for the financial assistance package.

Homeowners can find more information online (www.dbh.govt.nz).

Source: Department of Building and Housing

The New Zealand Herald

Melanie Gortner-Walker stands with her daughters in their leaking home in Auckland. In May 2010, the Government announced a financial assistance package to help people fix their water-damaged homes. It is estimated that about 42,000 dwellings are likely to be 'leaky homes'.

Building a simple house made easier



Department of Building and Housing

Stephen Smith's winning design from the Starter Home Design Competition.

The results of the Starter Home Design Competition were announced at Parliament on 31 March 2009. The winning entry, designed by Stephen Smith from S3 Architects Ltd in Auckland, would cost about \$168,000 to build – almost half the average cost of a new house.

The competition was run by the Department of Building and Housing as part of a government push to make housing more affordable for first-home buyers and make the consenting process easier and quicker – without compromising design or quality.

There were 140 entries from architects, designers, and others in the building industry, in a competition aimed at finding housing solutions that use limited resources.

The judging panel said Mr Smith's design had a striking contemporary appearance that would fit into many neighbourhoods. It also used low-maintenance materials and would work well as an individual house or within a cluster of similar designs.

The design allowed for the house to be built in stages, with two bedrooms in the first stage and the option of adding a third bedroom and an internal access garage later.

More information is available online (www.dbh.govt.nz).

Source: Department of Building and Housing

Building and construction

Building and construction is an important part of the New Zealand economy.

For the year ending 31 March 2009, gross fixed capital investment in building and other construction totalled \$21.3 billion, compared with \$22.9 billion in the previous year and \$21.3 billion in 2007.

The number of people engaged in the construction industry at February 2009 was 119,720, or 6.2 percent of those in all industries. Thousands more were employed supporting the industry in manufacturing, material supplies, and transport.

The industry contributed 4.5 percent of gross domestic product (in constant prices) in the year ending 31 March 2009, compared with 4.9 percent in the March 2008 year.

The most common construction systems used in New Zealand are light timber framing for housing, reinforced concrete (pre-cast and cast on-site) for multi-storey buildings, and light steel framing for industrial buildings. Light steel framing for housing is becoming more common.

New Zealand's performance-based building code facilitates innovation, and some traditional systems are gradually being replaced with new methods and products.

New Zealand has particular expertise in the design of earthquake-resistant structures, and in other specialist areas such as hydro and geothermal power station design and construction.

Construction law

The Department of Building and Housing is responsible for administering the New Zealand Building Code as part of its management of building controls. The code specifies essential requirements for building performance that provide for: the health and safety of building users, the protection of other people's property, the well-being and physical independence of people using buildings, and sustainable development.

The department writes technical documents (the New Zealand Building Code Handbook and compliance documents) that provide methods for satisfying code requirements. Solutions and methods published in these documents are not mandatory, and the building industry is encouraged to develop new materials and systems as alternatives to conventional methods.

Day-to-day administration of building controls is the responsibility of city and district councils, which must confirm that building projects satisfy code provisions.

Building consents are required for most new buildings and for alterations to existing buildings, to ensure the work complies with the New Zealand Building Code. Any such work must also comply with local government district plans prepared under the Resource Management Act 1991. For completed commercial buildings, the requirement for regular maintenance of essential life safety systems, such as fire alarms, sprinklers, and fire escapes, is covered by the compliance schedule and a building warrant of fitness regime under the Building Act 2004.

The department's building control activities are funded by a building consent levy of \$1.97 for every \$1,000 of building work for projects exceeding \$20,000.

Building Act 2004 The department's administration of this Act includes responsibility for implementing building sector reforms that require buildings to be designed and 'built right' the first time. These reforms include:

- licensing building practitioners, which began in November 2007 with licensing available for design, site, and trade classes
- accrediting and registering local authorities as building consent authorities, to strengthen the decision-making processes at the critical building consent and inspection stages. All local authorities achieved accreditation and registration to the first set of standards by 31 March 2009, or transferred their building control functions to an accredited and registered local authority. Authorities are now working towards the next set of mandatory performance standards, with a statutory deadline of 30 November 2010
- a full review of the New Zealand Building Code, to ensure it meets current needs and those of the foreseeable future, which was completed in November 2007
- introducing a product certification scheme for manufacturers and distributors to get independent confirmation that their products comply with the code.

In July 2009, the Building Amendment Act 2009 was passed to:

- streamline the process of making minor alterations to building work already consented
- remove the mandatory requirement for consent applicants to apply for project information memoranda
- introduce national multiple-use approvals for house designs replicated on a substantial scale.

These amendments took effect from 31 January 2010.

In August 2009, the department commenced a review of the Building Act to identify opportunities to further streamline and simplify the Act.

Figure 22.03

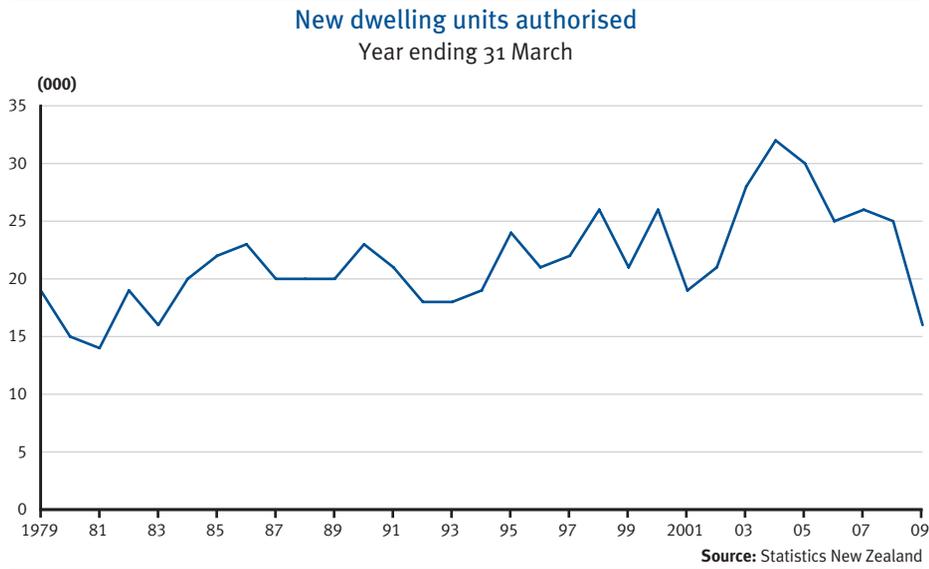


Figure 22.04

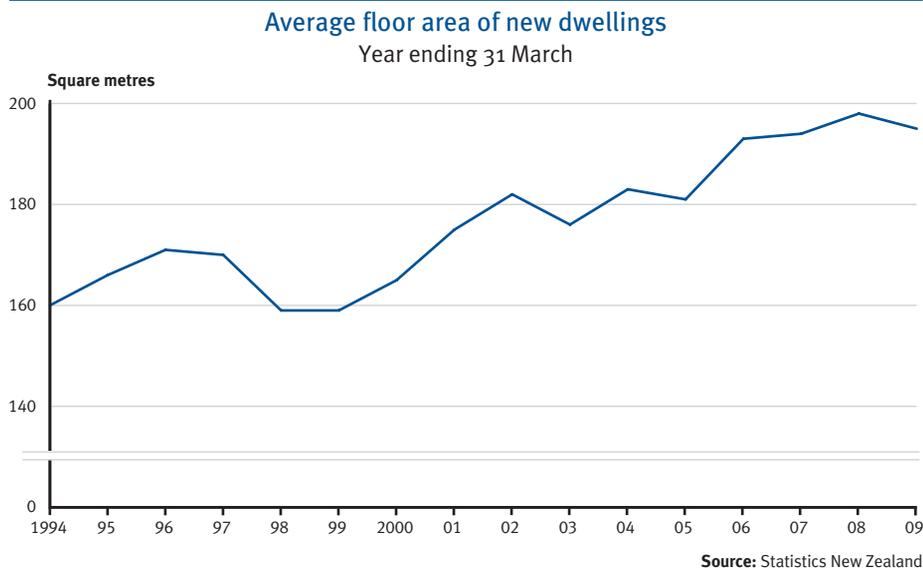
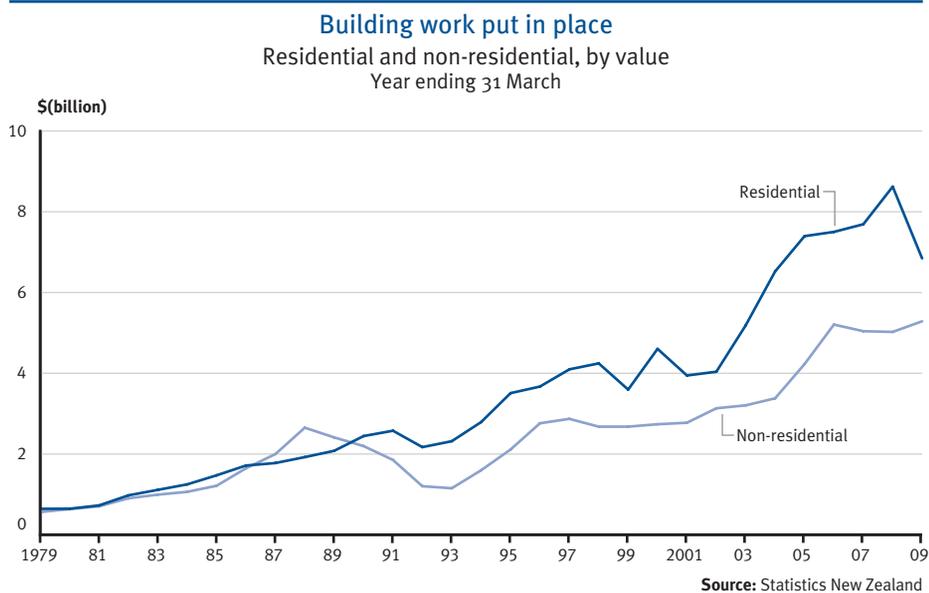


Figure 22.05



Building statistics

New Zealand's main official building statistics are Statistics New Zealand's monthly compilation of building authorisations, and its quarterly survey of the value of building work put in place.

Building authorisations Future building work is indicated by building authorisations. These statistics are sourced from building consents issued by territorial authorities.

Published figures on the number and value of building authorisations are of particular interest to economists and the government. The Reserve Bank of New Zealand uses the figures to predict the inflationary pressures within the building and construction industry, and its contribution to overall inflation.

Table 22.07 shows the number and value of building authorisations, by region, for the years ending 31 March 2008 and 2009.

Authorisation values usually represent the contract price or the estimated cost of the building before construction starts. The finished cost may be higher or lower due to changes in wage rates, material prices, and design. Table 22.08 shows the value of building authorisations by building type. Authorisations cover alterations and additions, as well as new buildings.

Residential and non-residential building authorisations are listed in table 22.09, while figure 22.03 (previous page) shows the number of new dwelling units authorised from 1979 to 2009. Authorisations for new dwellings totalled 16,234 units and \$4.3 billion in the year ending 31 March 2009. Compared with the previous March year, the number of new dwellings authorised fell 34 percent, while the value fell 31 percent.

Figure 22.04 (previous page) shows how the average floor area of new dwellings has changed since 1994. These figures include garages that are built into dwellings.

Work put in place Surveys of building work put in place show the gross value of actual building work done. There can be varying time lags between issue of a building authorisation and commencement of building, depending largely on the amount of work that builders have. Table 22.10 (overleaf) shows the value of building work put in place. Figure 22.05 (previous page) compares the value of residential and non-residential work put in place since 1979.

Building and construction price indexes Price indexes for buildings and construction are contained within Statistics NZ's capital goods price index. The building and construction index rose on an annual basis in the years to the March 2008 and March 2009 quarters.

The residential buildings index rose 1.9 percent in the year to the March 2009 quarter, following a 5.0 percent rise in the year to the March 2008 quarter. The non-residential buildings index rose 1.5 percent for the year to the March 2009 quarter, following a 2.3 percent rise in the year to the March 2008 quarter. These indexes showed quarterly declines in the December 2008 and March 2009 quarters, indicating a slowdown in these sectors.

The other construction index rose 6.4 percent for the year to the March 2009 quarter, following a rise of 3.7 percent in the year to the March 2008 quarter. This is the largest annual upward movement since a 6.9 percent rise in the year to the December 2005 quarter. The land improvements index rose 9.9 percent in the year to the March 2009 quarter, and 6.5 percent in the year to the March 2008 quarter.

Dwelling rentals in the consumers price index rose 2.1 percent for the year to the March 2009 quarter, after a 3.0 percent rise in the year to the March 2008 quarter.

Image removed due to copyright issues

The Otago Daily Times

The partly built Forsyth Barr Stadium in Dunedin will be completed by August 2011. Most of the Government's estimated \$271 million contribution to the 2011 Rugby World Cup is being spent on stadium construction and upgrades.

Table 22.07

Building authorisations ^(a)								
By region								
Year ending 31 March								
Region	New dwellings		Residential value		Non-residential value		All buildings value	
	2008	2009	2008	2009	2008	2009	2008	2009
	Number		\$ (million)					
Northland	1,230	903	395	289	115	173	510	462
Auckland	6,002	3,699	2,182	1,467	1,420	1,660	3,602	3,127
Waikato	3,314	2,079	910	666	433	454	1,343	1,120
Bay of Plenty	1,744	1,010	527	347	202	215	729	562
Gisborne	198	116	52	41	26	33	77	74
Hawke's Bay	815	442	264	165	108	130	371	295
Taranaki	586	439	185	159	84	100	270	259
Manawatu-Wanganui	1,139	605	315	202	237	161	552	364
Wellington	2,122	1,968	664	611	513	468	1,177	1,079
Tasman	264	272	70	60	45	46	116	106
Nelson	393	243	1,142	844	569	606	1,711	1,450
Marlborough	477	302	475	382	290	246	765	628
West Coast	258	206	131	128	92	119	223	246
Canterbury	4,112	2,554	83	100	32	27	115	126
Otago	1,416	1,024	98	73	73	59	171	132
Southland	461	372	139	97	52	68	191	166
Area outside regions	2	0	0	0	0	1	1	1
Total New Zealand	24,533	16,234	7,632	5,633	4,292	4,564	11,924	10,197

(a) Values include new buildings plus alterations and additions.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 22.08

Building authorisations					
Value by building type ^(a)					
Year ending 31 March					
Type of building	2005	2006	2007	2008	2009
	\$ (million)				
Domestic dwellings	6,833	6,451	7,153	7,363	5,401
Domestic outbuildings	237	252	262	268	232
Total residential buildings	7,070	6,703	7,415	7,632	5,633
Hostels and boarding houses	279	345	119	124	145
Hotels and other short-term accommodation	182	186	311	261	171
Hospitals and nursing homes	230	315	230	273	244
Education buildings	445	489	378	434	589
Social, cultural, and religious buildings	291	298	288	336	425
Shops, restaurants, and taverns	588	671	637	695	539
Offices and administration buildings	737	647	842	864	1,036
Storage buildings	413	403	463	486	385
Factories and industrial buildings	537	428	456	490	586
Farm buildings	175	190	209	304	349
Miscellaneous buildings	33	86	41	26	95
Total non-residential buildings	3,910	4,059	3,972	4,292	4,564
All buildings	10,981	10,762	11,387	11,924	10,197

(a) Values are for new buildings plus alterations and additions.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 22.09

Residential and non-residential building authorisations						
Annual values						
Year ending 31 March						
Year	New dwellings			Residential buildings ⁽¹⁾	Non-residential buildings ⁽²⁾	All buildings
	Number of units	Value \$(million)	Floor area sq m (ooo)			
2002	21,262	3,353	3,876	4,111	2,666	6,777
2003	28,320	4,549	4,983	5,425	2,617	8,042
2004	31,823	5,657	5,814	6,707	2,998	9,705
2005	30,255	5,896	5,465	7,070	3,910	10,981
2006	25,406	5,461	4,894	6,703	4,059	10,762
2007	25,740	6,104	4,983	7,415	3,972	11,387
2008	24,533	6,272	4,852	7,632	4,292	11,924
2009	16,234	4,319	3,164	5,633	4,564	10,197

(1) Includes alterations and additions, and domestic outbuildings. (2) Includes alterations and additions.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Sustainable renovations

Research organisation Beacon Pathway uses live research projects to demonstrate the benefits of sustainable building. One example is the recently completed Papakowhai renovation project near Wellington.

Nine ordinary homes were sustainably renovated using different combinations of insulation, heating, double glazing, moisture removal, and water-efficient fixtures. Their performance was monitored before and after the upgrades to determine the impact on energy and water use, indoor environment quality, and waste.

Results indicate that while ceiling and underfloor insulation is a great start, more is needed to make a home warm, dry, and healthy. Ideally the floor, ceiling, windows, and walls should all be insulated and coupled with an efficient heating system.

'House 3' was one success story. Built in the 1970s, it is typical of the split-level homes in the hilly suburb, oriented to the view rather than the sun and lacking insulation. To improve its performance the house underwent a major renovation, including:

- wall and underfloor insulation
- lowering and insulating the skillion ceiling; re-laying remaining ceiling insulation and topping with an insulation blanket
- double glazing for windows
- wood burner and a ducted heat pump system compliant with the National Environmental Standard
- solar hot water system and a wrapped cylinder
- flow restrictors on the shower heads and dual-flush toilets
- kitchen rangehood.

The results speak for themselves. This family of five reduced their winter power bills by 33 percent. They saved 62 percent on room heating costs, despite increasing temperatures to bring their house to comfortable and healthy levels recommended by the World Health Organization.

The solar water heater provided 73 percent of the family's hot water, despite the family using 21 percent more hot water in winter. Condensation and mould were eliminated and the family's health improved.

Lessons learnt from this project are feeding into Beacon's Home Smart renovation project, a nationwide trial exploring how houses can be made warmer, drier, healthier, and more efficient. The project is taking a 'whole-of-house' approach, extending beyond a package of energy efficiency initiatives to consider water, waste, and indoor environment quality.

Source: Beacon Pathway Ltd

Earthquake strengthening

A \$1 million project to further earthquake-strengthen Wellington's Embassy Theatre began in March 2010. The work will finish the necessary strengthening that was started before *The Lord of the Rings: The Return of the King* world movie premiere in 2003.

Wellington City Council has been working through 3,800 properties identified as being potentially unstable in a moderate earthquake. At least 130 properties, including 21 heritage buildings, have been confirmed as vulnerable. The council is among affected property owners and has budgeted \$42 million during the next 10 years to bring the buildings up to code.

Work at the Embassy Theatre included strengthening walls on the Majoribanks Street side of the building and behind the theatre's main screen, as well as work in the roof cavity. Strengthening would also be done behind two shops, which unfortunately would require them to close during part of the work.

The project was expected to take about seven months to finish. Workers were starting early in the morning and finishing about midday to allow movies to run later in the day.

Notable buildings that will receive earthquake-strengthening work include the Wellington Town Hall, the Municipal Office Building, the Opera House, the old Basin Reserve grandstand, Thistle Hall, and the old chest hospital, which the SPCA wants to redevelop.

The strengthening is necessary under the Building Act 2004, which is progressively coming into force and will affect buildings throughout New Zealand.

Source: Wellington City Council

Image removed due to copyright issues

The Dominion Post

Wellington City Council project manager Bruce Moorman inspects the earthquake-strengthening work being done in the roof of the Embassy Theatre, one of more than 100 buildings that the council has identified as being potentially unstable in an earthquake. The council has budgeted \$42 million for earthquake work on its buildings during the next 10 years.

Table 22.10

Building type	Value of work put in place ⁽¹⁾				
	By building type				
	Year ending 31 March				
	2005	2006	2007	2008	2009
	\$(million)				
New government dwellings	56	52	78	65	54
Other new dwellings	6,265	6,256	6,271	7,139	5,425
Alterations, additions, and outbuildings	1,075	1,193	1,341	1,416	1,367
Total residential buildings	7,396	7,501	7,690	8,621	6,846
Accommodation buildings	522	907	691	458	424
Hospitals and nursing homes	313	318	418	463	392
Factories and industrial buildings	467	564	423	481	472
Commercial buildings ⁽²⁾	1,285	1,574	1,491	1,693	1,671
Education buildings	514	615	556	552	648
Miscellaneous buildings ⁽³⁾	1,126	1,228	1,464	1,377	1,680
Total non-residential buildings	4,227	5,206	5,042	5,024	5,287
Total all buildings	11,624	12,707	12,732	13,645	12,133

(1) Values exclude GST. Consents below \$5,000 are excluded. (2) Includes shops, restaurants, taverns, offices, and administration buildings. (3) Includes social, cultural, religious, recreational, storage, and farm buildings.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Contributors and related websites

Beacon Pathway Ltd – www.beaconpathway.co.nz

Department of Building and Housing – www.dbh.govt.nz

Energy Efficiency and Conservation Authority – www.eeca.govt.nz

Housing New Zealand Corporation – www.hnzc.co.nz

Land Information New Zealand – www.linz.govt.nz

Ministry of Social Development – www.msd.govt.nz

New Zealand Institute of Architects – www.nzia.co.nz

Quotable Value New Zealand – www.qv.co.nz

Real Estate Institute of New Zealand – www.reinz.co.nz

Reserve Bank of New Zealand – www.rbnz.govt.nz

Statistics New Zealand – www.stats.govt.nz

Image removed due to copyright issues

The Dominion Post

Marten Mooij of Eastbourne joined hundreds of others at Wellington's Bike the Bays event in December 2009. Marten was born with a very rare condition and has no upper legs, so he completed the 10-kilometre return trip from Waitangi Park to Evans Bay using a specially imported trike propelled with arm-powered cranks. The most adventurous cyclists rode 26 kilometres to Scorching Bay and back.

23 | Transport

New Zealand's transport system

New Zealand's geographic isolation means there is a heavy reliance on sea transport for the bulk of the country's imports and exports, and that international travel is dominated by air services. Domestic transport is largely reliant on roads. Therefore, the efficiency of the transport system is important to the competitiveness of New Zealand's importers and exporters, and to the economy as a whole. Road, rail, air, and shipping services are the main ways people and goods move within the long, thin islands of New Zealand.

The New Zealand transport sector has been subject to ongoing change since the late 1970s. Major regulatory changes have encouraged competition within the industry and allowed the introduction of a wide range of new technologies. Organisational changes have brought about greater use of commercial structures for publicly owned transport systems, with some of these being transferred to the private sector.

The government transport sector includes the Minister of Transport, the Associate Minister of Transport, the Ministry of Transport, four Crown agencies, three state-owned enterprises, and one Crown established trust. The Ministry of Transport's role is to provide impartial, expert advice to the Government to help it meet its transport objectives. This includes advice on legislative, regulatory, and policy settings; funding levels and priorities; and government agency governance, performance, and accountability. The Crown agencies are responsible for the day-to-day management of our daily traffic, aviation, rail, and maritime activities.

Crown agencies

Civil Aviation Authority – Establishes and monitors civil aviation safety and security standards, carries out air accident and incident investigations, and promotes aviation safety and personal security. The Aviation Security Service provides aviation security services for international and domestic air operations.

Maritime New Zealand – Promotes maritime safety, environmental protection, and security through standard-setting, monitoring, education, compliance, safety services, and its oil pollution response strategy.

New Zealand Transport Agency (NZTA) – Allocates funding for land transport infrastructure and services through the National Land Transport Programmes. Manages access to the transport system through driver and vehicle licensing, vehicle inspections, and rules development.

Commuting in the Auckland region

Travel to work by public transport, or by walking, jogging, or biking, increased in central Auckland and North Shore city between 1996 and 2006. However, it decreased in other parts of the Auckland region, such as Manukau city.

Over the Auckland region as a whole, the use of buses and trains increased slightly between 1996 and 2006, up from 6.7 percent to 6.9 percent of commuters. Walking, jogging, and biking decreased slightly, down from 6.1 percent to 5.9 percent.

Although a long-term decline in public transport use has recently been reversed, overall usage remains low. Increases in parts of central Auckland and North Shore city have been offset by decreases elsewhere.

This information comes from *Mapping Trends in the Auckland Region*, published by Statistics New Zealand on its website in 2009.

The report contains maps and graphs that show fundamental social, demographic, and economic trends affecting people in the region. It focuses particularly on geographical patterns, and how these are changing, and may change, over the period 1991 to 2031.

Source: Statistics New Zealand

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Auckland City Council

Auckland's Newmarket train station reopened in January 2010 after an extensive upgrade. It is the city's second-busiest rail station, with about 3,500 people catching the train to or from Newmarket on a daily basis. By 2016 it is estimated that 17,000 people a day will do so. The \$65 million upgrade was part of Project DART, a series of improvements to Auckland's rail network. Patronage on the rail network has increased 97 percent in the last five years, and over 7.7 million trips were made in the year to January 2010 alone.

Provides land transport safety and sustainability information and education. Manages the national highway network.

Transport Accident Investigation Commission – Investigates significant air, maritime, and rail accidents and incidents to determine their causes and circumstances so that similar occurrences are avoided in the future.

State-owned enterprises

Airways Corporation of New Zealand Ltd – Provides air traffic management services.

Meteorological Service of New Zealand – Provides public weather forecasting services, as well as meteorological information for international air navigation under contract to the Civil Aviation Authority.

New Zealand Railways Corporation – Trades as KiwiRail Group. Kiwirail manages the rail and ferry business owned by the New Zealand Government.

Crown established trust

Road Safety Trust – Provides funding for road safety projects and research with revenue received from the sale of personalised vehicle registration plates.

In addition to government transport agencies, New Zealand's central government, local government, police, and private sector also play important roles in the transport system:

- Central government – sets national transport policy (including transport safety), owns the national highway network and KiwiRail, and is the majority shareholder in Air New Zealand. It funds land transport (including subsidies for local government transport activities and KiwiRail). The Government is also responsible for international agreements that relate to international air and sea movements, and the associated transport security issues.
- The New Zealand Police – provides road policing and maritime patrol units.
- Local government – has a transport planning and funding function in respect of local roads and public transport, and many councils have significant investments in air and sea ports.
- The private sector – provides many of the transport services that move goods to, from, and within the country. It also provides many of the public transport services that enable individuals to move freely around cities and towns on a daily basis (rail and bus services are provided on both a fully commercial and subsidised basis).

Road transport

The New Zealand Government makes a significant investment in land transport each year. During 2009 it moved from annual to three-year funding of land transport activities, providing funding of approximately \$10 billion. This amount represents funding by three partners: the NZTA, the Ministry of Tourism, and the Crown. An additional investment of \$2.7 billion – mainly funded from rates – is made by regional and territorial authorities.

The Government's funding package During September 2009, the NZTA announced a record investment of \$8.7 billion for the three-year period 2009–12, allocating funds to regional and territorial authorities for land transport infrastructure and services, and to itself for the highways that it manages on behalf of the Government. The Crown is providing additional funding of \$1.2 billion for rail infrastructure in Auckland and Wellington, while the Ministry of Tourism will spend \$50 million on a new national cycle network.

New Zealand Transport Agency

The New Zealand Transport Agency Waka Kotahi (NZTA) is a new Crown entity that took over the functions of Land Transport New Zealand and Transit New Zealand in August 2008. The NZTA brought together the functions of these two organisations and contributes to an affordable, integrated, safe, responsive, and sustainable land transport system.

This involves enforcing laws, regulations and rules, and collecting revenue. It also ensures New Zealanders have access to land transport by building, operating, maintaining, and funding land transport systems.

The NZTA works in partnership with the transport sector and other organisations – including industry and other interest groups – to ensure economic growth and productivity. This is delivered through a series of targeted investments designed to generate the best possible returns for New Zealand.

The NZTA manages the Government's funding of the National Land Transport Programme, through the National Land Transport Fund. The NZTA allocates funds through this programme, in partnership with regional and territorial authorities, to address the following areas:

- improvement, operation, maintenance, and renewal of state highways and local roads
- road policing
- public transport services and infrastructure
- demand management and community programmes
- walking and cycling facilities
- sector training and research
- domestic sea freight development
- rail and sea freight
- transport planning
- managing the funding allocation system.

Image removed due to copyright issues

New Zealand's road safety strategy to 2020

Safer Journeys is a strategy to guide improvements in road safety over the period 2010–20. The long-term goal for road safety in New Zealand is set out in its vision: 'A safe road system increasingly free of death and serious injury'.

The first actions started in 2010 and focus on four areas of high concern: the safety of young drivers, alcohol and drug impaired driving, safer roads and roadsides, and the safety of motorcyclists.

Other areas to be addressed are: safer speeds, the safety of the light-vehicle fleet, safer walking and cycling, the safety of heavy vehicles, the impact of fatigue and driver distraction, the impact of high-risk drivers (repeat alcohol and speed offenders, and illegal street racing), the level of child restraint use, and the safety of older New Zealanders.

Over the past 35 years, the road toll has dropped significantly. In 1973, 843 people died on New Zealand's roads. By 2002, this number had more than halved to 405 deaths. This occurred even though the number of vehicle kilometres travelled more than doubled over this period. However, progress has slowed since 2003, with road deaths fluctuating between a high of 465 and a low of 358.

Similarly, since the 1970s, the number of road injuries has reduced by over a quarter, declining from 20,791 in 1970 to 15,174 in 2008. However, since 2004 the number of serious injuries has risen by 6 percent.

Compared with other OECD countries, New Zealand has a relatively high rate of road deaths per head of population. Based on 2008 results, New Zealand has 8.6 deaths per 100,000 people, compared with 6.9 deaths per 100,000 people for Australia. The fatality rate is double that of the safest nations (United Kingdom, Sweden, and the Netherlands).

If New Zealand had the same road fatality rate as Australia in 2009, the road toll would have been 298 instead of 384. With the same fatality rate as the United Kingdom, the 2009 road toll would have been 186.

Based on 2008 results, New Zealand has a road fatality rate of 9.1 deaths per billion vehicle kilometres. This compares with 6.5 deaths per billion vehicle kilometres for Australia, 7.7 for France, and 5.7 for Ireland.

The strongest performer, the United Kingdom, has 5.0 deaths per billion vehicle kilometres travelled.

More information can be found online (www.saferjourneys.govt.nz).

Source: Ministry of Transport

Otago Daily Times

The Central Otago rural drink-driving unit checks drivers near Wanaka. The Safer Journeys 2020 initiative recommends lowering drink-driving limits, and will review traffic offences and penalties for drivers causing death and injury while under the influence of alcohol.

Table 23.01

Expenditure on state highways										
Year ending 30 June										
Class of expenditure	1999	2000	2001 ⁽¹⁾	2002	2003 ⁽²⁾	2004	2005	2006	2007	2008
	\$(000)									
Construction and improvement	246,355	302,864	265,151	280,259	268,886	351,164	438,696	618,217	719,844	840,514
Bridges ⁽³⁾	6,587	6,999	10,952	3,879	7,960	7,241	8,157	15,152	25,671	..
Maintenance, repairs, etc ⁽⁴⁾	262,742	283,270	272,447	278,503	299,267	329,310	362,474	374,865	422,446	451,384
Total	515,684	593,133	548,550	562,641	576,113	687,715	809,327	1,008,233	1,167,961	1,291,898

(1) From the year ending 30 June 2001, expenditure on state highways includes the funding of public transport infrastructure. (2) From the year ending 30 June 2003, expenditure on state highways includes walking and cycling facilities. (3) From the year ending 30 June 2008, bridge expenditure is included in construction and improvement. (4) Expenditure on state highways is funded entirely through the NZ Transport Agency.

Symbol: .. figure not available

Source: NZ Transport Agency

Table 23.02

Expenditure on public roads										
Year ending 30 June										
Class of expenditure	1999	2000	2001 ⁽¹⁾	2002	2003 ⁽²⁾	2004	2005	2006	2007	2008
	\$(000)									
State highway ⁽³⁾	515,684	593,133	548,550	562,641	576,113	687,715	809,327	1,008,233	1,167,961	1,291,898
Local authority roading ⁽⁴⁾	297,889	290,926	297,788	319,163	371,839	423,992	497,309	513,487	713,736	622,536
Total	813,573	884,059	846,338	881,804	947,952	1,111,707	1,306,636	1,521,720	1,881,697	1,914,434

(1) From the year ending 30 June 2001, expenditure on public roads includes the funding of public transport infrastructure and alternatives-to-road projects. (2) From the year ending 30 June 2003, expenditure on public roads includes walking and cycling facilities. (3) Expenditure on state highways is funded entirely through the NZ Transport Agency. (4) The expenditure shown is the NZ Transport Agency contribution only – it does not include the local authority contribution. The rate of assistance to local authorities is generally between 40 percent and 80 percent.

Source: NZ Transport Agency

Table 23.03

Maintained roads and streets				
By type of seal				
At 30 June				
Year/nature of surface	Local authority roading		State highways and motorways	Total
	Urban roads	Rural roads		
Kilometres				
1999				
Paved or sealed	15,520	30,968	10,540	57,028
Metal or gravel	442	34,540	65	35,047
Total	15,962	65,508	10,605	92,075
2000				
Paved or sealed	15,590	31,474	10,707	57,771
Metal or gravel	419	33,809	54	34,282
Total	16,009	65,283	10,761	92,053
2001				
Paved or sealed	15,708	31,762	10,716	58,186
Metal or gravel	414	33,549	58	34,021
Total	16,122	65,311	10,774	92,207
2002				
Paved or sealed	15,809	32,017	10,736	58,562
Metal or gravel	418	33,354	47	33,819
Total	16,227	65,371	10,783	92,381
2003				
Paved or sealed	15,929	32,258	10,750	58,937
Metal or gravel	409	33,107	41	33,557
Total	16,338	65,365	10,791	92,494
2004				
Paved or sealed	16,166	32,539	10,798	59,503
Metal or gravel	402	32,816	39	33,257
Total	16,568	65,355	10,837	92,760
2005				
Paved or sealed	16,423	32,819	10,838	60,080
Metal or gravel	397	32,615	56	33,068
Total	16,820	65,434	10,894	93,148
2006				
Paved or sealed	16,644	33,167	10,838	60,649
Metal or gravel	403	32,351	57	32,811
Total	17,046	65,519	10,895	93,460
2007				
Paved or sealed	16,869	33,439	10,837	61,146
Metal or gravel	382	31,993	56	32,431
Total	17,251	65,432	10,893	93,576
2008				
Paved or sealed	16,956	33,698	10,850	61,504
Metal or gravel	342	31,903	56	32,301
Total	17,298	65,601	10,906	93,805

Source: NZ Transport Agency

Land transport network

New Zealand's land transport network is managed by the NZTA, 12 regional councils, and 74 territorial authorities.

There were 17,298 kilometres of urban roads, 65,601 kilometres of rural roads, and 10,906 kilometres of state highways; a total of 93,805 kilometres of developed roads at 30 June 2008 (see table 23.03).

Transport licensing

The Transport Services Licensing Act 1989 contains provisions for transport operator licensing, which assesses licensees on a qualitative basis – for goods, passenger, rental, and vehicle recovery services. The Act uses the concept of 'a fit and proper person' as the principal criterion for road transport operators.

Registration and licensing of vehicles

All vehicles using public roads in New Zealand are required to be registered, unless they meet specific exemption requirements (see list below).

The registration and licensing of vehicles are two terms often confused. Both are about getting permission to drive a vehicle on New Zealand roads. However, registration is generally a one-off process that identifies a person as the legally responsible person for a particular vehicle.

Licensing is the regular process through which a fee is paid to use a vehicle on public roads. The annual relicensing charge includes a licence fee, accident compensation levy, administration and label fee, goods and services tax and, in some cases, a transport licence fee.

The country's vehicles are relicensed progressively throughout the year.

Exemptions for registration or licensing The following vehicles do not need to be registered:

- vehicles used on a road that is closed temporarily for a special event
- powered vehicles that are temporarily being towed without the use of their own power
- trailers designed exclusively for agricultural operations and used on the road to or from a farm for inspection, servicing, or repair
- trailers being towed by exempt Class B vehicles.

Exemptions from paying registration or licensing fees While they still have to be registered and licensed, some vehicles are exempt from registration and licensing fees. These include:

- vehicles used on a road that is not a public highway
- vehicles used on public highways only for inspection, servicing, repair, or for a practical driving test. A vehicle can be driven without a warrant of fitness (WoF) or certificate of fitness (CoF) on the road only when it is being taken to be repaired or get a new WoF or CoF, and it's safe to drive
- vehicles used in a declared road construction zone
- all-terrain vehicles (ATVs) used on a public highway:
 - to travel from one's residence to a road that isn't a public highway, where the journey is less than three kilometres
 - to get the ATV inspected, serviced, or repaired.

Table 23.04

New commercial vehicles registered							
By gross weight							
Year ending 31 December							
Vehicle category							
Year	2,500kg or less	2,501kg to 4,500kg	4,501kg to 9,000kg	9,001kg to 14,500kg	14,501kg and over	Omnibus and coach services	Total
2001	4,439	14,133	1,504	771	1,777	839	23,463
2002	4,729	18,256	1,929	1,040	2,245	1,120	29,319
2003	4,813	20,851	2,355	1,160	2,747	1,093	33,019
2004	4,669	23,997	3,140	1,566	3,168	1,329	37,869
2005	4,140	25,363	2,945	1,492	3,140	1,325	38,405
2006	3,097	23,239	2,683	1,277	2,587	1,318	34,201
2007	3,134	24,613	2,953	1,259	2,612	1,492	36,063
2008	2,738	20,821	2,409	1,133	2,702	1,538	31,341

Source: NZ Transport Agency

Roads of National Significance

In early 2009, the Government announced the first seven Roads of National Significance, which have been identified as essential routes that require priority treatment.

The roads are within or close to New Zealand's five largest population centres. All support large traffic volumes, and all need work to reduce congestion, improve safety, and support economic growth.

The seven roads identified were:

- Puhoi to Wellsford – state highway 1
- Auckland Western Ring Route completion – state highways 20/16/18
- Auckland Victoria Park bottleneck – state highway 1
- Waikato Expressway – state highway 1
- Tauranga Eastern Corridor – state highway 2
- Wellington Northern Corridor (Levin to Wellington) – state highway 1
- Christchurch motorway projects.

The roads are listed in the Government Policy Statement on Land Transport Funding to ensure that they are taken into account when the NZ Transport Agency develops the National Land Transport Programme.

Further Roads of National Significance may be added in the future.

The maps showing the Roads of National Significance can be downloaded from the Ministry of Transport's website (www.nzta.govt.nz/network/rns).

Source: Ministry of Transport

Northern Gateway opens

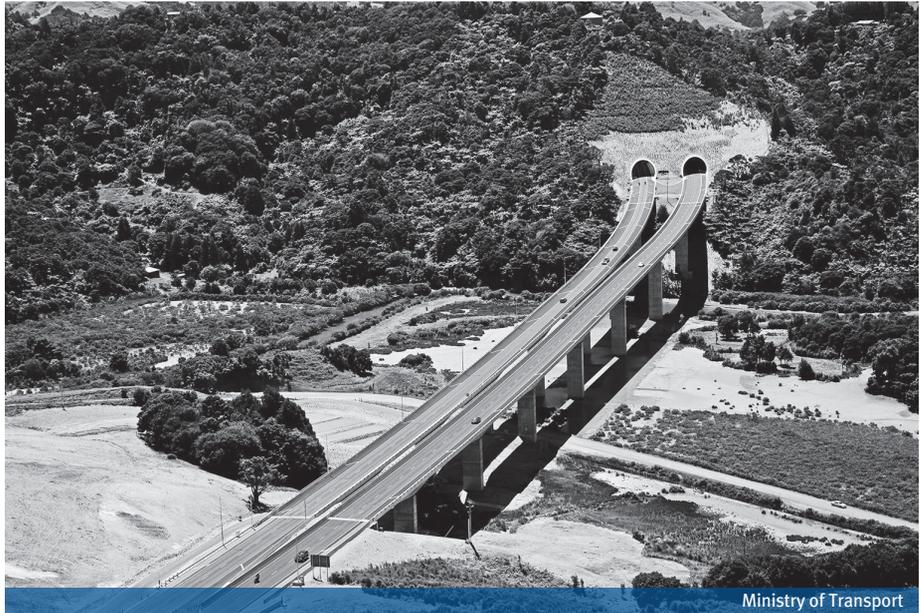
The country's first 'free-flow' toll road was opened in January 2009. Built and operated by the NZ Transport Agency, the Northern Gateway is a 17.5 kilometre extension of state highway 1 north of Auckland, and takes traffic on an alternative route past the seaside town of Orewa. It significantly cuts travel time, especially when traffic is heavy at summer holiday peaks.

Tolls are collected electronically, avoiding the need for motorists to slow down to pay the toll – hence the term 'free-flow'.

The motorway presented significant engineering and environmental challenges in steep country – solved with deep cuts, two tunnels, extensive planting, and sweeping viaducts that provide coastal views.

Use of the toll road by cars and heavy vehicles has met predictions, with 70 percent of traffic diverting from the route through Orewa to the new toll road. This has enabled the development of the Orewa Boulevard, reconnecting the town centre to the beachfront. Vehicle numbers through Orewa have been reduced by an average of 12,000 vehicles per day.

Source: New Zealand Transport Agency



Ministry of Transport

The Northern Gateway toll road uses the latest electronic free-flow tolling technology. When a vehicle passes under the toll point, cameras capture an image of the licence plate and assign the toll. There are no toll booths on the road. Users can pay online, by phone, or at a self-service kiosk near the toll road. The toll can be paid before drivers use the toll road, or up to five days later.

Motor vehicle registers

The Ministry of Economic Development operates two registers specifically concerned with the sale and ownership of motor vehicles: the Personal Property Securities Register (PPSR) under the Personal Property Securities Act 1999, and the Motor Vehicle Traders Register (MVTR) under the Motor Vehicle Sales Act 2003.

Table 23.05

New⁽¹⁾ cars, station wagons, and motorcycles registered

Year	Cars and station wagons						Total	Vehicles previously registered overseas ⁽²⁾	New motorcycles
	850cc and under	851 to 1,300cc	1,301 to 1,600cc	1,601 to 2,000cc	2,001 to 5,000cc	5,001cc and over			
2001	73	4,070	41,622	76,744	62,498	1,848	186,855	128,693	3,575
2002	33	4,459	41,110	76,268	76,214	2,420	200,504	136,418	4,118
2003	106	5,790	43,228	82,869	91,752	3,680	227,425	156,972	4,967
2004	213	5,786	41,138	79,879	98,096	3,685	228,797	154,042	6,341
2005	129	6,869	42,561	84,801	92,874	3,079	230,313	152,488	7,654
2006	168	7,020	40,817	73,247	75,863	3,079	200,194	123,390	9,596
2007	262	7,219	40,636	69,189	77,042	3,488	197,836	120,382	11,426
2008	281	7,417	39,002	56,035	58,973	2,530	164,238	90,841	12,211

(1) Includes cars and station wagons previously registered overseas. (2) Included in 'Total'.

Source: NZ Transport Agency

Table 23.06

Licensed motor vehicles

Type of vehicle	At 30 June							
	2001	2002	2003	2004	2005	2006	2007	2008
Car	1,916,685	1,970,403	2,036,804	2,118,240	2,189,187	2,232,915	2,277,199	2,287,697
Rental car	17,178	18,119	19,775	22,128	22,604	21,754	22,895	23,309
Taxi	7,108	7,507	7,795	8,089	8,172	8,011	8,069	7,823
Truck	363,166	366,918	374,361	386,295	399,843	408,757	417,886	425,894
Bus or coach	12,709	13,379	14,107	14,932	15,671	16,486	17,198	18,419
Trailer	362,225	373,940	386,005	397,113	408,982	420,289	435,633	446,745
Motorcycle	35,939	36,045	33,601	34,873	37,717	43,513	49,283	55,180
Moped	7,364	7,395	7,881	8,617	10,282	14,171	16,375	19,960
Tractor	21,229	22,756	24,016	25,279	26,521	27,124	27,510	28,212
Exempt vehicle	7,706	8,195	8,825	9,708	10,328	11,130	11,664	12,156
Miscellaneous	15,225	16,644	17,557	19,206	20,946	22,464	24,430	26,064
Total	2,766,534	2,841,301	2,930,727	3,044,480	3,150,253	3,226,614	3,308,142	3,351,459

Source: NZ Transport Agency

Personal Property Securities Register The PPSR is an electronic register where personal property details can be registered and searched. All searches and registrations are completed via the Internet; there are no paper forms. The PPSR is available to the public 24 hours a day, 7 days a week. More information can be found online (www.ppsr.govt.nz).

The register was established by the Personal Property Securities Act 1999 and came into force in May 2002.

Secured parties can register their security interests over personal property, including private and commercial motor vehicles, motorcycles, trucks, trailers, caravans, farm vehicles, and aircraft. Security interests in boats, except those exceeding 24 metres, can also be registered on the PPSR.

Buyers of motor vehicles can search the PPSR to see whether a security interest has been registered (indicating whether money is owed) in respect of a vehicle. Consumers can also search by texting and more information can be found online (www.ppsr.govt.nz/txtb4ubuy).

Motor Vehicle Traders Register New Zealand's MVTR is a public register that contains essential information about registered motor vehicle traders. Buying a motor vehicle from a registered trader provides improved protection for consumers, as traders have responsibilities to consumers under the Motor Vehicle Sales Act.

The MVTR is available to the public 24 hours a day, 7 days a week. More information can be found online (www.motortraders.govt.nz).

There is a wide definition of 'motor vehicle trader' under the 2003 law. Generally speaking, people who import more than three vehicles, or who sell more than six vehicles in a 12-month period, must be registered. The MVTR holds information about who is registered and details of each trader's business, such as its physical address. The MVTR also includes a list of banned traders.

Road safety

Road crashes impose a huge burden on New Zealand society. Reducing road deaths and injuries, and the significant social cost they incur, requires improvements in driver behaviour, vehicles, and roads.

To this end, the NZTA advises the Government on land transport safety, and suggests policy, develops standards, and reviews land transport safety systems in consultation with industry groups.

Table 23.08

Licensed vehicles by population ⁽¹⁾		
At 30 June		
Year	People per licensed car ⁽²⁾	People per licensed motor vehicle ⁽³⁾
2001	2.01	1.62
2002	1.99	1.61
2003	1.96	1.59
2004	1.91	1.55
2005	1.87	1.51
2006	1.86	1.50
2007	1.84	1.48
2008	1.85	1.48

(1) Based on estimated resident population. (2) Includes cars and rental cars. (3) Excludes trailers, caravans, and exempt vehicles.

Source: NZ Transport Agency; Statistics NZ

Table 23.09

Motor Vehicle Traders Register actions		
Year ending 30 June		
Year	Registrations	Renewals
2005	1,200	2,150
2006	1,318	2,045
2007	1,053	2,173
2008	770	2,322
2009	631	2,108

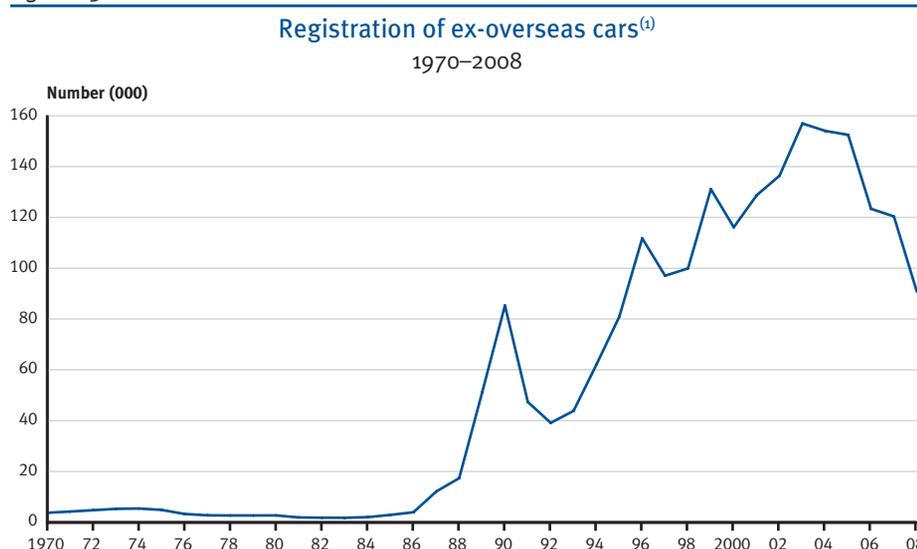
Source: Ministry of Economic Development

Table 23.07

Personal Property Securities Register actions					
Year ending 30 June					
Year	Amendments	New registrations	Renewals	Text service actions	Searches
2005	422,374	577,282	3,812	17,195	2,184,809
2006	452,397	635,453	5,015	14,466	2,680,027
2007	525,104	575,241	80,278	18,494	2,679,434
2008	559,710	527,198	74,841	31,174	2,545,757
2009	619,304	435,566	41,235	33,292	2,469,676

Source: Ministry of Economic Development

Figure 23.01



(1) Ex-overseas cars are those that have been registered in another country before entry into New Zealand.

Source: NZ Transport Agency

Image removed due to copyright issues

The Press

Police officers are on the beat again in central Christchurch, visible to the public as they monitor the city on two wheels. Police say bicycle patrols can respond quickly in built-up traffic, and can approach a scene quickly and quietly. Many officers are keen and competitive cyclists who are happy to move their feet from the footpath to the pedals. The four new bicycles, equipment, and uniforms cost about \$7,500. Police in other cities found bike patrols made up to five times more arrests than foot patrols.

The NZTA worked closely with the Ministry of Transport to develop Safer Journeys, New Zealand's road safety strategy to 2020. The strategy has a vision of a safe road system increasingly free of road deaths and serious injuries. It shifts the emphasis from targets to a 'safe-system approach' in which death or injury should not be the expected and tolerated result of driver error. This safe-system approach integrates all road safety aspects: targeting safer speeds, safer use of vehicles, safer roads and roadsides, and safer vehicles. Local and regional authorities are responsible for integrating road safety into their planning processes.

Table 23.10

Age profile of major vehicle types							
At 31 December 2008							
Age in whole years	Car	Truck	Bus	Motor caravan	Motorcycle	Moped	Trailer
Under 1 year	73,448	21,869	1,012	994	8,912	6,047	26,920
1	80,044	23,486	817	984	8,319	4,615	30,036
2	80,943	21,364	864	687	6,020	3,678	25,985
3	84,973	23,946	706	640	6,356	3,375	24,831
4	83,407	23,768	762	943	5,071	1,632	23,264
5	85,917	21,186	622	830	4,106	989	20,594
6	85,720	19,886	693	477	3,584	742	18,723
7	93,330	18,088	728	857	3,337	598	17,429
8	111,092	18,943	694	585	3,090	484	17,689
9	135,549	17,589	799	688	2,950	434	15,648
10	163,571	17,131	837	412	3,040	460	15,326
11	208,748	21,714	963	490	2,705	390	14,608
12	257,171	23,404	1,193	859	2,180	380	14,513
13	186,723	20,737	1,162	913	1,789	313	14,488
14	174,934	22,242	1,062	1,207	1,652	274	12,230
15	136,406	18,769	734	994	1,436	207	10,704
16	143,969	19,150	769	1,050	1,660	355	10,408
17	117,763	19,567	915	1,160	2,156	284	9,706
18	107,185	24,094	915	1,356	2,460	420	16,224
19	84,356	19,916	807	1,098	2,781	396	12,176
20	53,208	15,828	673	961	3,300	437	11,413
21	36,383	13,228	615	857	3,319	473	10,432
22	27,403	11,257	600	938	3,132	515	10,836
23	21,730	10,613	430	1,250	2,066	387	14,031
24	16,061	8,935	378	650	1,671	235	10,468
25	9,780	5,713	268	558	1,574	195	8,343
26	8,220	5,274	201	379	1,657	322	8,921
27	6,967	4,011	176	299	1,591	238	8,339
28	6,372	3,495	169	282	1,502	318	14,893
29	5,944	2,956	172	256	1,252	217	10,143
30	5,702	2,373	173	239	752	106	12,130
31 to 40	52,709	12,649	545	2,225	6,082	834	86,896
41 to 50	25,042	3,638	142	1,037	1,661	426	22,646
51 and over	18,906	4,378	47	562	3,291	163	4,933
Total vehicles	2,789,676	521,197	21,643	27,717	106,454	30,939	585,926
Mean age (years)	12.55	12.88	13.14	17.64	14.09	7.77	17.06

Source: NZ Transport Agency

Road laws are enforced by the New Zealand Police, which investigates serious and fatal accidents, enforces laws regarding heavy traffic and allowable weights of vehicles and loads, and assists with licensing road transport services, such as taxis, buses, and tow trucks.

In 2008, New Zealand's road toll was 366, the lowest road toll since 1959 and 56 fewer than in 2007. To minimise the road toll, police officers are continuing to target speed, alcohol, driver fatigue, restraint use, and failure to give way.

Safety belts Wearing safety belts as the manufacturer intended is compulsory for drivers and front-seat passengers in most classes of light vehicles registered after January 1955. It is also compulsory for rear-seat passengers to wear safety belts in all cars. All children under five years of age must be properly restrained by an approved child restraint when travelling in cars and vans.

The driver of the vehicle is responsible for ensuring all passengers less than 15 years of age are wearing safety belts or age-appropriate child restraints.

Helmets All motorcyclists and pillion riders must wear safety helmets at all speeds. Safety helmets are also compulsory for cyclists.

Alcohol impairment Police officers have several tests available to check whether drivers are affected by alcohol. Any driver may be required to give a passive test at any time. A breath-screening test may be given after a police officer has detected alcohol on a driver's breath using a passive alcohol detector.

If this screening test is positive, the person may be required to give an evidential breath test.

If this is also positive, the person has the option of either accepting the breath test reading or providing a blood sample for analysis.

A driver commits an offence and is liable for prosecution if:

- the breath-alcohol concentration as recorded on an evidential breath-testing device exceeds 400 micrograms of alcohol per litre of breath (150 micrograms of alcohol per litre of breath for a person under the age of 20)
- the blood-alcohol concentration exceeds 80 milligrams of alcohol per 100 millilitres of blood (30 milligrams of alcohol per 100 millilitres of blood for a person under the age of 20).

Speed limits New Zealand's road network is primarily a two-way system with one lane each way. Therefore, speed management is a critical aspect of traffic safety.

Maximum speed limits for highways and motorways are: 100 kilometres per hour (km/h) for cars, motorcycles, vans, and light vehicles; and 90km/h for vehicles towing trailers and all heavy vehicles, including buses. A general speed limit of 50km/h is fixed in all urban traffic areas.

In recent years, road controlling authorities have been given more flexibility in setting speed limits. They may set limits from 10km/h to 100km/h provided they are safe and appropriate for

Figure 23.02

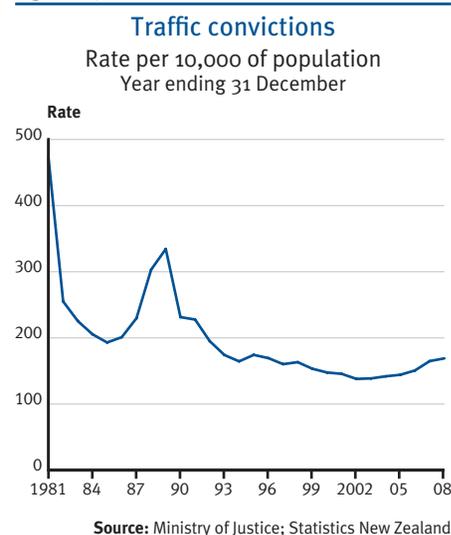


Table 23.11

Traffic offences and infringements⁽¹⁾						
Year ending 30 June						
Category	2004	2005	2006	2007	2008	2009
Drink/drive offence	25,496	26,697	27,408	30,796	34,445	36,199
Dangerous/reckless driving offence	6,162	6,602	7,570	8,166	8,074	7,532
Unsafe use of vehicle	26,522	25,206	24,583	25,772	26,823	27,002
Careless/inconsiderate driving or overtaking offence	11,411	11,397	11,527	12,098	12,447	11,927
Speeding – general	394,940	363,949	299,427	291,194	311,364	333,452
Speeding – trailer, towing, heavy motor vehicle	13,177	14,167	10,073	10,488	12,856	12,904
Speeding – speed camera	479,164	416,492	394,585	439,497	436,500	388,056
Failure to stop/give way	49,165	44,840	39,704	42,105	47,038	56,505
Failure to obey officer/fulfill duty	19,549	17,956	18,558	20,330	20,735	20,495
Vehicle licence infringement	18,375	18,742	17,044	15,908	10,808	12,806
Driving while disqualified	8,653	9,061	9,788	10,736	11,252	11,573
Certificate of fitness infringement	107,898	107,265	113,878	127,613	129,788	135,090
Driver licence and vehicle registration infringement	283,555	281,381	269,481	277,634	283,548	287,639
Driver hours/log book infringement	4,594	3,375	3,117	2,647	3,563	3,991
Seat belt	89,671	77,897	64,257	64,441	80,869	78,624
Safety helmet	631	676	946	973	1,166	1,165
Passenger/recovery/rental service vehicle	1,726	2,206	1,863	1,329	1,597	1,056
Vehicle condition	26,410	26,888	21,238	19,624	18,863	18,960
Vehicle noise/loading	6,468	5,606	4,976	4,912	4,641	6,218
Bicycle infringement	3,142	3,012	2,617	2,118	1,901	1,911
Cycle helmet	10,038	9,551	8,305	7,118	7,839	8,194
Pedestrian and other	758	850	1,002	1,322	1,829	2,192
Stock and vehicle bylaw offence	82	56	44	162	149	174
Local body bylaw infringement	1,368	958	242	430	486	427
Other transport offence	8,130	6,151	6,094	5,831	6,028	9,817
Total	1,597,085	1,480,981	1,358,327	1,423,244	1,474,609	1,473,909

(1) Data as published in Police annual reports.

Source: New Zealand Police

Wellington's new trains on track for completion

Image removed due to copyright issues

The Dominion Post

Rhona Hewitt from the Wellington Regional Council and Thomas Bryan from Wellington's regional transport committee inspect Wellington's new electric trains.

Mr Bryan is the committee's access and mobility nominee and is blind, so has an interest in the train's new access-friendly features.

The two-car set is one of 48, worth \$235 million, ordered for Wellington's rail system.

The first of Wellington's new trains was due to arrive in August 2010, and passengers can expect to be on board before Christmas. The trains, dubbed Matangi from the Māori word for wind, are being made in South Korea by the Hyundai-Rotem company.

Features of the new Matangi trains include: a modern, stainless-steel body; an area with a lower floor for passengers with wheelchairs, buggies, and bicycles; air-conditioning; access between cars; hearing loops; a public address system; and visual and audio information systems advising passengers about the next station.

The new trains are part of a \$500-million rail network upgrade that also includes the building of 11 substations, upgrading of signals, and improvements to station platforms. They will eventually replace the nearly 70-year-old English units now running on Wellington's tracks. A decision on whether to replace or fully refurbish the Ganz Mavag fleet will be made by the Wellington Regional Council later in 2010.

Before entering service, trains undergo thorough testing. As well as the trains, everything on the network – such as signalling, power supply, and platforms – is tested to make sure everything is working properly.

The units are running initially on the Hutt Valley line, then Johnsonville, followed by Kapiti. New trains are expected to be running on all lines by June 2011.

Source: Greater Wellington Regional Council

particular roads. Authorities also have to comply with the other procedures set down in the *Land Transport Rule: Setting of Speed Limits 2003*.

Speed cameras, radars, and lasers Under policy adopted in December 2003, mobile and fixed speed cameras can be located in any place and at any time, with all signage removed (this excludes the use of hidden or camouflaged cameras).

Police also use mobile radar and laser speed measuring equipment to supplement cameras. The laser equipment is particularly useful in heavy traffic and multi-lane situations, where its ability to isolate and measure individual vehicles permits the targeting of speeding vehicles in traffic.

Traffic offences Penalties are imposed by courts for driving and other offences under the Transport Act 1962, the Land Transport Act 1998, and accompanying regulations. Breaches of certain laws are dealt with under a system where a driver may pay an infringement fee within a specified time to avoid court proceedings.

More than 20 new or updated road user rules were introduced in November 2009 to further improve safety and efficiency for road users. Among the changes was a ban on the use of hand-held mobile phones while driving.

Demerit points are automatically registered, according to a fixed scale, against people convicted of driving offences or against people who pay certain infringement fees. The NZTA may suspend a driver's licence for three months when 100 or more demerit points are received within two years. Demerit points for speeding are awarded on a graduated scale, based on the speed a driver is detected travelling at.

Driver licensing A New Zealand driver licence is valid for up to 10 years. A graduated system for obtaining a licence involves restrictions on learner drivers to ensure they are protected from high-risk situations until they have obtained experience on the road. The system has three stages: learner, restricted, and full licence. At each stage drivers earn a new licence with fewer restrictions and more responsibilities. A test must be passed in order to graduate to a full licence.

When a driver reaches the age of 75, their driver licence will need renewing. It will need renewing again at age 80, and then every two years after that. For each renewal after the age of 75, a driver needs to visit their doctor to obtain a medical certificate confirming they are fit to drive. If a patient is medically fit, but a GP has serious concerns about their ability to drive safely, they can refer them for a 30-minute on-road safety test.

Motor vehicle inspection All vehicles using New Zealand roads must be inspected regularly to ensure mechanical and structural fitness. This occurs every six months, except for vehicles that are less than six years old – these are inspected every 12 months. Most light vehicles require a warrant of fitness, which can be issued at approved garages.

Heavy vehicles undergo an examination for a certificate of fitness. This is a general safety check, similar to that of a warrant of fitness. Approved testing station inspectors check the aspects set out by the NZTA.

Drug affected drivers The Police now has greater powers to deal with people driving under the influence of drugs, due to changes in the Land Transport Amendment Act. From 1 November 2009, Police officers have been able to carry out compulsory tests on drivers they suspect of driving under the influence of drugs other than alcohol. A driver who is not able to satisfactorily complete the impairment test is required to provide a blood sample. It is an offence when the driver cannot complete the test in a satisfactory manner; and the driver's blood contains evidence of a controlled drug or prescription medicine.

This legislation includes people using illegal drugs, but also those using prescription medications that can impair driving ability. This is an important change for New Zealand.

The NZTA has supported this initiative with an advertising campaign to raise awareness of the new legislation, which includes television advertising aimed at those taking illegal drugs, and other information about prescription drugs.

People collecting medical prescriptions are advised to check that they can safely drive when using their prescribed medication. More information can be found online (www.transport.govt.nz).

Railways

The New Zealand railway network spans 3,898 kilometres, from Otiria in the north to Bluff in the south, with 2,559 kilometres of track in the North Island and 1,515 kilometres in the South Island. The network includes 146 tunnels, which collectively measure over 87 kilometres, and 2,174 bridges measuring nearly 85 kilometres in total length, plus more than 12,000 culverts. More than 500 kilometres of the North Island network is electrified. The track is narrow gauge – 1,067 millimetres wide.

Since 1962, the network has included inter-island rail ferries connecting the North Island and South Island rail networks. The Railways Department was reorganised in 1982 to become a government-owned corporation with a commercial mandate. The same year, the Government began deregulating the transport industry, removing the statutory protections rail had against competition by road.

Image removed due to copyright issues

1/1-007689-G Frederick Nelson Jones Collection, Alexander Turnbull Library

Enormous challenges had to be overcome in building a railway line to cope with the North Island's rugged terrain. Vertiginous viaducts were built over deep ravines, dense bush cleared, and cuttings and tunnels were carved out of steep hills. The mountainous terrain in the centre of the island was particularly challenging; a notable achievement was the construction of the Raurimu spiral, designed to overcome the steep climb up to the Waimarino plateau. This photo is of railway construction workers on a train excursion west of Waiouru in 1908, with Mounts Ruapehu and Ngauruhoe in the background.

In 1990, the operating assets of the Railways Corporation were transferred to a limited liability company under government ownership, New Zealand Rail Ltd. In 1993, the company was sold to a private consortium. Three years later, the new owners made a public offering of shares in Tranz Rail Holdings, listing the company on the New Zealand Stock Exchange and the NASDAQ market in the United States.

The process of deregulation, commercialisation, and privatisation saw a reduction in the number of employees, from 21,000 with the Railways Department in 1982 to 3,757 with Tranz Rail in 2002. After the sale in 1993, the Railways Corporation continued as a residual government body with two principal activities: to manage all known litigation, contingent issues, and statutory obligations; and to manage the rail corridor lease with Tranz Rail and the lease of other Crown land held for operational rail purposes.

During the 1990s, Tranz Rail expanded into new markets, including the movement of bulk milk to dairy processing plants and the establishment of New Zealand's first inland port at Wiri, south of Auckland. The port, a joint development with the Port of Tauranga, is connected by train with Tauranga, creating a significant line of containerised freight business. A second inland port at East Tamaki has been operating since 2002.

Main trunk line centenary celebrations

On 14 February 2009, a historical journey was made between Wellington and Auckland to celebrate 100 years of the commercial passenger service on the North Island main trunk line.

The North Island main trunk line was New Zealand's most important transport link for many years and has a significant place in New Zealand's history. Completing the line was an engineering achievement of historical importance.

The centenary of driving of the 'last spike', the moment when the north and south railheads were formally joined just north of Ohakune in 1908, had been celebrated on 15 November 2008.

The first journey was made in August 1908 by a group of Wellington politicians, heading north to greet the United States Navy's Great White Fleet on 9 August. This event was also re-enacted as part of the centenary celebrations. The initial 680-kilometre journey took more than 20 hours and required several changes of locomotive.

Once the line had been completed, journeys took about 18 hours – and it wasn't until the arrival of a new and more powerful express train in 1924 that this was reduced to about 14 hours. Today the trip takes 12 hours.

Discussions about building a main trunk line between Auckland and Wellington began in the 1860s, but work didn't start until 1885. It was a further 23 years of exploration, surveying, parliamentary enquiries, and hard labour before the line was completed.

The heyday for the main trunk line was the period between the two world wars. The first day of holiday seasons such as Easter and Christmas were particularly busy, with up to eight trains carrying 3,000 passengers between New Zealand's two main cities. In those days, everyone from royal visitors to members of the general public took the train as the alternatives were not yet viable – roads were still very rough and the journey took a lot longer by sea.

Passenger numbers started to decline steadily from the 1950s, with increasing competition from cars, buses, and aeroplanes. The rail service was privatised in 1993, and the unprofitable overnight service was axed 11 years later. The daytime service came under threat as well, but it survived, largely due to public protest. The Government re-nationalised the railways in 2008.

Source: National Library of New Zealand; ONTRACK

Table 23.12

New Zealand railways								
Locomotives, passengers, and freight								
At 30 June								
	2001	2002	2003	2004	2005	2006	2007	2008
Locomotives								
Diesel/diesel-electric	184	131	131	144	168	168	168	132
Electric	27	23	14	17	17	17	17	17
Rolling stock								
Freight	5,606	4,321	4,048	4,176	4,180	4,166	4,166	4,300
Passenger (including motorised)	314	177 ⁽¹⁾	177 ⁽¹⁾	177 ⁽¹⁾	198	196	196	198
Passengers carried								
Long distance ⁽²⁾	513,500	..	..	560,000	520,000	520,000	520,000	500,000
Wellington commuter trains	12,577,000	12,300,000	12,300,000	11,000,000	11,100,000	11,200,000	11,200,000	11,100,000
Auckland commuter trains	..	..	..	..	3,600,000	5,000,000	5,600,000	7,650,000
Freight carried								
Tonnes	14,461,000	14,330,000	14,822,000	14,800,000	14,500,000	14,800,000	14,800,000	14,412,000

(1) Excludes the Auckland region. (2) Includes the Capital Connection between Palmerston North and Wellington.

Symbol: .. figure not available

Source: KiwiRail

New Zealand airlines turn 75

Image removed due to copyright issues

Torrential rain did not dampen the enthusiasm of 95-year-old Marie Lindsay (left) of Christchurch, the daughter of pioneering pilot Bert Mercer, who started New Zealand's first commercial passenger and airmail service on 18 December 1934. Haast matriarch Betty Eggeling (89) helped Mrs Lindsay unveil a commemorative plaque to mark the occasion.

More than 300 people gathered at Haast on 19 December 2009 to mark the 75th anniversary of New Zealand's airlines.

The service's first route between Hokitika and Haast eventually expanded to other destinations and the service went under several names, including National Airways Corporation (NAC) and West Coast Airways.

All New Zealand airlines can trace their beginnings to Mercer's Air Travel.

Mrs Lindsay was 20 when her father began the service and said she very much admired his pioneering spirit. The air service used Fox Moth and de Havilland aircraft and was a major factor in reducing the isolation of the Haast community. However, the passenger service ended in 1967, soon after the Haast highway was opened.

Mrs Eggeling said the service was fantastic for women who left the community to have children in other towns where there was medical care and then flew home with their babies. She added that Captain Mercer would try to choose a route that did not make the babies' ears 'pop'.

While there is no longer a passenger air service at Haast, aviation still has an important role in the area's tourism industry. The present airstrip was built in 1942, and a recent working bee to revamp the airstrip and aerodrome building showed the same community spirit was very much alive.

Source: Otago Daily Times

In 2003, Toll Holdings Ltd, an Australian-based transportation and logistics operator, acquired approximately 85 percent of Tranz Rail's shares. As a result of Toll's offer for shares in Tranz Rail becoming unconditional, an agreement between Toll and the Crown was triggered, a key feature of which was the buy-back of track and associated infrastructure by the Crown. The Crown undertook to invest \$200 million in improving rail infrastructure, while Toll undertook to invest \$100 million in new rolling stock.

In September 2004, ownership and management of the network and its assets was vested in the existing New Zealand Railways Corporation, which adopted the trading name ONTRACK. Under the agreement, Toll retained exclusive rights to the network for freight purposes, subject to meeting minimum tonnage levels annually. ONTRACK was responsible for managing and developing the network, controlling track access to rail operators, and providing advice to the Government on railway matters.

In February 2006, ONTRACK took back control of maintaining the infrastructure, which had been contracted out. As a result, its staff increased from 150 to approximately 900 by 2008.

The Government purchased Toll's rail and ferry operations in June 2008 for \$665 million. The business was in turn purchased by New Zealand Railways Corporation in October 2008 and merged with ONTRACK to become a state-owned enterprise with the trade name KiwiRail. In March 2009, KiwiRail purchased the mechanical servicing business of United Group to complete the re-unification of the rail industry under one owner. KiwiRail currently employs 4,000 staff.

Rail is an effective mode of transport for high volume and heavy freight. According to the National Freight Demands Study 2008, rail carried 15 percent of freight moved in New Zealand in 2008, as well as carrying over 18 million urban commuters in Auckland and Wellington. The rail system also reduces the pressure on New Zealand's roads and can provide safety, health, and environmental benefits.

Freight is forecast to grow by 75 percent over the 15 years to 2025, and significant increases in passenger numbers are predicted. To help meet these increases, the rail system needs to operate as efficiently as possible, while competing on a commercial basis with other freight and passenger transport modes.

Rail licensing More than 90 organisations operate on and/or provide access to New Zealand's railways. There are two main types of licence holders:

- those who control the use of railway lines (access providers). Every organisation whose railway has one rail, or a set of rails with a gauge of 550 millimetres or greater between them, must hold a rail licence.
- those who provide or operate rail vehicles (railway operators). They are also required to have rail licences.

Most of New Zealand's rail organisations are both providers and operators.

Passenger services KiwiRail operates four long-distance passenger trains, as well as commuter services linking central Wellington with Johnsonville, Paraparaumu, the Hutt Valley, Palmerston North, and Masterton.

The four long-distance passenger trains are: the Overlander between Auckland and Wellington; the Capital Connection between Palmerston North and Wellington; the Tranz Coastal between Picton and Christchurch; and the Tranz Alpine between Christchurch and Greymouth.

Veolia Transport operates commuter services in Auckland on three lines – the southern, eastern, and western lines. In 2008/09, the Auckland train network carried more than seven million passengers.

Freight transport KiwiRail Freight provides rail freight services throughout New Zealand. The most significant freight modes are import-export, intermodal, and bulk commodity goods. In 2008/09, the overall trading revenue for KiwiRail was \$518 million. The bulk of freight revenue was from agriculture and food products, followed by revenue from manufactured products, forest products, and coal.

Civil aviation

Due to its island status and distance from other countries, New Zealand is one of the most aviation-oriented nations in the world. In a population of 4.3 million, there were 10,156 active pilot licences on issue and 4,406 registered aircraft at 30 June 2009 – one pilot licence per 423 people and one aircraft per 975 people – which is an increase of 301 registered aircraft from 30 June 2007. The number of licensed aircraft engineers also increased, from 2,181 in 2007 to 2,378 at 30 June 2009.

The total number of hours flown each year by all New Zealand-registered aircraft (excluding sport aircraft) in the five years to 30 June 2009 increased from 844,936 hours to 988,205 hours. There were 10,030 employees working in the air transport industry at February 2009. There were also another 2,290 employees working in airport operations and air transport services.

Civil Aviation Authority

The Civil Aviation Authority Te Mana Rererangi Tūmatanui o Aotearoa (CAA) is New Zealand's aviation safety regulator, with the prime function of promoting civil aviation safety and security, and contributing to an integrated, responsive, and sustainable transport system.

The CAA's specific functions: establish safety and security standards relating to entry into, and exit from, the civil aviation system; monitor adherence to safety and security standards; ensure regular review of the civil aviation system to improve and develop its safety and security; investigate and review civil aviation accidents and incidents; provide civil aviation safety and security policy advice to the Minister of Transport; promote safety and security in the civil aviation system through information, advice, and education programmes; and maintain the New Zealand Register of Aircraft, the Civil Aviation Registry, and other records and documents relating to activities within the civil aviation system.

The CAA also acts on behalf of the Crown in respect of the International Civil Aviation Organisation (ICAO). As part of ICAO responsibilities, the CAA is designated the Aviation Security Authority, the Air Traffic Services Authority, the Personnel Licensing Authority, the Meteorological Authority, and the Dangerous Goods Authority, as well as meeting New Zealand's ICAO obligations for aeronautical information. It also undertakes ICAO technical and safety regulation responsibilities that are associated with the ICAO Air Navigation Bureau and Technical Assistance Bureau.

The CAA is funded through a domestic passenger levy; an international departing passenger levy; a participation levy based on aircraft weights; an aeronautical information services levy; and fees for services, such as certification, licensing, rules development, and policy advice to the Government.

In the year ending 30 June 2009, the CAA received \$30.065 million in income and spent \$30.113 million. Levies totalled just over 72 percent of income.

Airways New Zealand

Airways New Zealand (Airways) provides air navigation services for the aviation industry within New Zealand's domestic and oceanic airspace. Established in 1987 as a state-owned enterprise, Airways was the first fully commercialised air navigation services organisation in the world.

Airways provides air traffic services, including flight information, to civil and military air traffic, and is responsible for planning, provision, and maintenance of radar, navigational aids, and communications. Air navigation facilities provided in New Zealand include electronic aids, such as non-directional medium frequency beacons, Doppler very-high-frequency omnidirectional radio ranges, instrument landing systems, primary surveillance radar equipment, secondary surveillance radar, distance measuring equipment, and very-high-frequency direction-finding equipment.

Airways aims to ensure the safe, orderly, and efficient flow of air traffic within the 30 million square kilometres of Pacific airspace assigned to New Zealand by the ICAO.

Aircraft operators and pilots pay Airways for the services they use. These include radar control, landing charges, and aeronautical charts and publications. Its technicians install and maintain technical facilities, including runway lighting and navigation aids, for airport companies in New Zealand and overseas.

Airways assists with operational and technical commitments arising from New Zealand's membership of ICAO. All military air traffic control and radar surveillance is supplied on contract to the Royal New Zealand Air Force. Specialised divisions of Airways provide a range of related aviation services. Aviation Publishing is responsible for producing aeronautical charts and manuals on behalf of the CAA.

The Airways Training Centre, in Christchurch, conducts courses in air traffic services and telecommunications for New Zealand and international students. Airways has applied expertise gained in New Zealand to provide air navigation services solutions internationally, and has provided technical and training solutions to more than 65 countries.

Airports

New Zealand has 24 airports certificated by the CAA to receive regular air services by aircraft with a capacity of 30 or more passengers. There are several other airports with regular scheduled services by smaller aircraft, as well as numerous aerodromes and airstrips.

Airport ownership is mixed, with Crown, local (or territorial) authority, and private interests, or a combination of these as owners. The major international and regional airports are operated by airport companies.

The chief international airports are Auckland (which is listed on the New Zealand Stock Exchange), Wellington (co-owned by a listed company and the local authority), and Christchurch (jointly owned by the local authority and the Crown). Hamilton, Rotorua, Queenstown, and Dunedin airports also receive trans-Tasman services.

1,000th aeroplane celebrated

Image removed due to copyright issues

Pacific Aerospace

This P-750 XSTOL (Extremely Short Take-Off and Landing) aircraft can take off and land in less than 244 metres. It can operate from semi-prepared airstrips in all types of terrain, and carry a load of more than 1,800 kilograms in hot conditions and at high altitudes.

The New Zealand aviation industry celebrated a significant milestone in 2009, with the completion of the 1,000th aircraft to be manufactured in the Waikato region.

Hon Wayne Mapp, the Minister of Research, Science and Technology, said the industry is a significant and growing contributor to New Zealand's economy, and that its goal is to reach \$2 billion in exports within the next 10 years. The wider aviation industry employs more than 16,000 staff in more than 700 companies, which export goods and services worth about \$800 million.

It was Pacific Aerospace that achieved the honour of completing the 1,000th aircraft – a P-750 XSTOL aircraft destined for export to South Africa. Of the 1,000 aircraft, Pacific Aerospace has produced 627, Micro Aviation 333, Alpha Aviation 23, and Autoflight has manufactured 17 gyrocopters.

According to Aviation Industry Cluster general manager Shaun Mitchell, the New Zealand aviation industry expects its next 1,000 aircraft to be produced within 7–10 years. Achieving this new target will raise New Zealand's profile as a global leader in light aircraft design, modelling, prototyping, certification, and production.

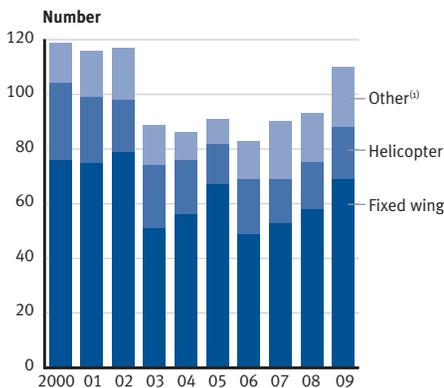
He said that industry exports totalled about \$800 million in 2008 and added that there are 16 new aviation projects in the pipeline, 15 of which are new aircraft designs, potentially worth \$927 million in annual exports.

The 16 prototype projects described are in different stages of development, with some still requiring investment. They include designs for an amphibian aircraft, military and civilian gliders, and an innovative short-haul cargo plane.

Source: Pacific Wings

Figure 23.03

Notifiable aircraft accidents Year ending 30 June



(i) Includes hang gliders and parachutes.

Source: Civil Aviation Authority

Table 23.13

Registered vessels involved in domestic and overseas trade

At 31 December			
Year	Vessels	Net tonnage	Crew ⁽ⁱ⁾
Domestic			
2001	9	14,406	158
2003	11	21,673	205
2004	9	18,203	171
2005	13	24,182	171
2006	12	25,684	178
2007	12	25,684	208
2008	14	28,957	232
Overseas			
2001	3	29,484	40
2003	3	23,686	48
2004	3	23,272	40
2005	3	23,272	40
2006	3	23,272	40
2007	3	22,850	44
2008	5	23,580	58

(i) Crew figures are not necessarily up-to-date.

Source: Maritime New Zealand

Airport safety standards, certification, and inspection are addressed by the CAA. The Aviation Security Service provides airport security, and passenger and baggage screening at major airports (typically those handling jet passenger aircraft). Air traffic control services are supplied to most airports by Airways.

Domestic air services

Domestic air services were economically deregulated between 1984 and 1990, with deregulation including a policy allowing 100 percent foreign ownership of domestic airlines. Air New Zealand is the major domestic operator and has regional connections through the three branded Air New Zealand Link commuter airlines (Air Nelson, Mount Cook Airline, and Eagle Airways). Jetstar and Pacific Blue also provide jet services on major domestic routes.

International air services

International air services are operated under formal agreements between governments. A number of these agreements are negotiated or amended each year. New Zealand currently has more than 40 such agreements and a non-government agreement with Taiwan. Agreements outline routes that airlines can operate to and from New Zealand and, in some cases, the capacity that can be used on those routes. One agreement, the Multilateral Agreement on the Liberalization of International Air Transportation, covers New Zealand's air services arrangements with Brunei Darussalam, Chile, the Cook Islands, Mongolia (cargo only), Samoa, Singapore, Tonga, and the United States.

New Zealand's international air transport policy is to maximise economic benefit to New Zealand, including trade and tourism, consistent with foreign policy and strategic considerations.

Air New Zealand operates services to six gateways in Australia (Sydney, Melbourne, Adelaide, Brisbane, Perth, and Cairns). In the Pacific, Air New Zealand operates services to the Cook Islands, Samoa, Fiji, Vanuatu, Tonga, Tahiti, Niue, Norfolk Island, and New Caledonia. Services to Europe are offered on both an own-aircraft basis (London) and a code-share basis (to points in Austria, Belgium, Germany, Ireland, the Netherlands, and the United Kingdom).

In Asia, Air New Zealand operates to China (Beijing and Shanghai), Hong Kong, and Japan (Tokyo and Osaka), and offers code-share services to Ho Chi Minh City, various points in China, Bangkok, Phuket, and Kuala Lumpur. Code share services to South Africa began recently.

In North America, Air New Zealand operates own-aircraft services to Honolulu, Los Angeles, San Francisco, and Vancouver. Code-share services are offered to other points in the United States and Canada. Code-share services are also offered to Guadalajara and Mexico City.

Qantas and its subsidiary Jetstar both offer services across the Tasman, as does Pacific Blue Airlines (NZ) Ltd, a subsidiary of Australian-based Virgin Blue Airlines. Tasman Cargo Airlines offers freighter services.

Aerolineas Argentinas, AirCalin, Air Pacific, Air Tahiti Nui, Air Vanuatu, Cathay Pacific, Emirates Airline, Korean Air, Lan Airlines Chile, Malaysia Airlines, Polynesian Blue, Royal Brunei Airlines, Singapore Airlines, and Thai Airways International operate passenger services to New Zealand from their home countries and, in some cases, across the Tasman. Cargolux and Singapore Airlines Cargo offer freighter-only services. A number of other foreign airlines offer passenger services to New Zealand on a code-share basis only.

Shipping

Over 99 percent of both New Zealand's exports (25 million tonnes) and imports (around 17 million tonnes) are carried by sea. By value, this represents about 87 percent of exports and 79 percent of imports. It is therefore important that New Zealand has access to efficient and cost-competitive international shipping services, especially considering the country's distance from overseas markets. Within New Zealand, coastal shipping provides intra- and inter-island links, and plays a key role in distributing petroleum products and cement.

Comprehensive reforms of New Zealand's waterfront operations since 1988 have resulted in cost savings and efficiency improvements. Thirteen port companies were established in 1988 to take over ownership and operation of commercial port facilities, and waterfront labour was reformed in 1989. This reform saw the end of the government-managed labour pool system and introduced direct employment and enterprise bargaining to the waterfront.

Since the 1990s, shipping policy has shifted to reflect New Zealand's status as a ship-using, rather than a ship-operating, nation. For New Zealand exporters and shippers, this policy seeks to ensure unrestricted access to the carrier of their choice, and to the benefits of fair competition among carriers.

The Maritime Transport Act 1994 regulates ship safety, maritime liability, and marine environmental protection. The Act also made Maritime New Zealand, a Crown entity, responsible for maritime safety and marine pollution prevention, and for response functions.

There were 820 employees engaged in international sea transport, 1,270 in coastal water transport, and 940 in inland water transport in February 2007. Equivalent employee figures for February 2006 were 900, 1,210, and 1,040, respectively.

Overseas lines

Major trading routes for New Zealand include the United Kingdom and Europe; Africa, India, and the Middle East; North Asia, East Asia, and South-East Asia; North America, Central America, and South America; trans-Tasman and the Pacific.

New Zealand is well provided with international shipping services, with close to 30 global and regional international shipping lines represented. Among them are Maersk Line, Mediterranean Shipping Company, Seatrade, CMA CGM Group, Hamburg Süd, Hapag-Lloyd, Marfret Compagnie Maritime, Wallenius Wilhelmsen, Malaysia International Shipping Corporation Berhad, China Ocean Shipping Company, Nippon Yusen Kaisha, Mitsui OSK Line, Pacific International Line, Swire Shipping, Pacific Forum Line, Sofrana Unilines, Neptune Pacific Line, and Pacific Direct Line.

Conference lines and vessel sharing agreements (VSAs) are involved in much of New Zealand's overseas shipping. Conferences are associations among shipping companies to provide joint services on several trade routes. VSAs are more limited arrangements than conferences, involving separate services jointly scheduling the same vessels to make better use of vessel capacity.

However, increased competition in the shipping industry in recent years has seen greater participation in New Zealand trade by independent carriers.

Inter-island shipping services

Interislander provides rail and road ferry services across Cook Strait, transporting passengers, vehicles, and freight between Wellington and Picton.

Lyttelton-based Pacifica Shipping operates two cargo vessels, which link Auckland, Tauranga, Nelson, Lyttelton, Timaru, and Dunedin.

Strait Shipping operates livestock and roll-on roll-off freight services between Wellington, Nelson, and Lyttelton; and the Bluebridge passenger and vehicle service between Wellington and Picton.

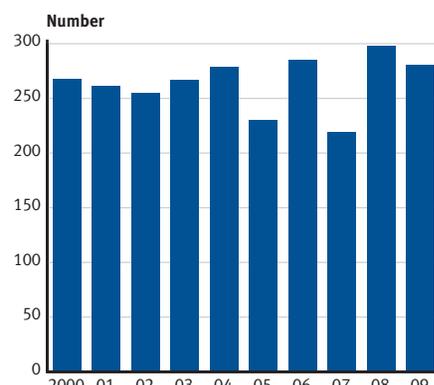
Auckland-based Pacific Basin Sea-Tow operates tugs and barges on tramp (non-liner) services around the New Zealand coast.

Black Robin Shipping and 44 South Shipping operate general cargo and livestock services between the North Island, the South Island, and the Chatham Islands.

Since 1995, coastal shipping services have also been provided by foreign ships transiting the New Zealand coast in the course of their international voyages.

Figure 23.04

Reported marine accidents Year ending 30 June⁽¹⁾



(1) Includes reported commercial and recreational accidents.

Source: Maritime New Zealand

Travellers on the rise again in 2010

The New Zealand Customs Service checks and clears all international travellers and crews entering or leaving New Zealand by air or sea. This includes control of transit passengers and crews, and associated craft and vessels.

During the year ending 31 May 2010, 4,763,071 people arrived in New Zealand by air. This was an increase of 47,719 (1.0 percent) on arrivals in the May 2009 year. In the year ending 31 May 2010, 4,721,885 travellers departed New Zealand by air, an increase of 53,026 (1.1 percent) on the previous May year.

Except for the year ending 31 May 2009, the number of passengers travelling by air continued to increase year on year, with a 58.7 percent increase in passengers since the May 2000 year.

The number of arriving and departing aircraft has increased marginally from the May 2009 year, continuing the recovery from the decrease in 2005.

In 2010, the number of vessels arriving decreased by 0.3 percent and the number of departing vessels decreased by 0.2 percent.

Movement of people and craft to and from New Zealand ports and airports

Year ending 31 May

	2008	2009	2010	Change 2008-10		Change 2009-10	
				Percent	Number	Percent	Number
Air travellers processed							
On arrival	4,813,272	4,715,352	4,763,071	-1.0	-50,201	1.0	47,719
On departure	4,800,642	4,668,859	4,721,885	-1.6	-78,757	1.1	53,026
Aircraft numbers							
Arriving	31,126	32,025	32,587	4.7	1,461	1.8	562
Departing	31,223	31,398	31,759	1.7	536	1.1	361
Vessel numbers							
Arriving direct	3,205	2,935	2,927	-8.7	-278	-0.3	-8
Departing direct	3,204	2,865	2,859	-10.8	-345	-0.2	-6

Note: Air travellers processed includes passengers and crew on commercial and non-commercial flights. Aircraft numbers include commercial, military, private, and freight aircrafts. Vessel numbers include commercial, cruise, military, and small craft.

Source: New Zealand Customs Service

Sea change for domestic freight strategy

In May 2008, New Zealand's domestic sea freight strategy was launched. *Sea Change: Transforming coastal shipping in New Zealand* recognises that domestic sea freight is an important part of an integrated and resilient transport network.

In response to the strategy, the Government, through the New Zealand Transport Agency (NZTA), made \$6 million of funding support available for domestic sea freight initiatives in 2008/09 and another \$30 million for the subsequent three years.

Total freight movements on the transport system are expected to more than double by 2040. To cope with this increase, alternative transport modes that include coastal shipping will be essential. Sea freight offers a number of benefits over other forms of transport, including reduced energy use and lower carbon emissions per tonne-kilometre carried, and reduced demand on the roads.

According to the Ministry of Transport, the cost of shifting a standard container door-to-door from Auckland to Christchurch by coastal ship is \$850–\$1,300, compared with \$2,200–\$3,000 by road or \$1,300–\$1,900 by rail.

It is estimated that 15 percent of New Zealand's inter-regional freight is carried by sea. By comparison, in Japan, a country with a similar geography, more than 30 percent of freight is carried by sea.

Shipping is a critical component of New Zealand's domestic transport network. Ships carry freight and bulk cargoes (eg oil, cement, and fertiliser) both along the New Zealand coast, and between the North and South Islands.

Fuel efficiency is a major reason for shipping's cost-differential advantage. The Swedish Network for Transport and the Environment has calculated that ships are more than six times as fuel efficient, per tonne/kilometre, than a medium-sized truck.

Shipping, therefore, has a central role to play in the response to climate change and in meeting the government target of reducing per capita emissions in the transport sector by half by 2040.

Source: Ministry of Transport; New Zealand Shipping Federation

Bulk shipping

Overseas trade New Zealand's bulk shipping needs are mainly served by a mix of vessels, few of which operate fixed services. Imported bulk cargoes include crude oil, phosphate rock, bauxite, and petroleum coke. Bulk exports include iron, sand, coal, forest products, and methanol. Pacific Basin Sea-Tow provides tug and barge services to Australia and the South Pacific.

Coastal trade Bulk cement distribution is handled by three small cement vessels, two operated by Holcim New Zealand and one by the Golden Bay Cement Company. Two tankers operated by Silver Fern Shipping Ltd distribute petroleum products from the Marsden Point oil refinery. Overseas tankers are also used from time to time to distribute bulk oil products around New Zealand. Coastal Bulk Shipping Ltd operates a small ship to carry various bulk commodities, which include fertiliser, dolomite, coal, and grain.

Services to shipping

Ports Port companies established under the Port Companies Act 1988 operate New Zealand's 13 commercial ports. These companies are predominantly owned by local authorities, although four are partly privatised and listed on the New Zealand Stock Exchange. Two of the port companies, Northland Port Corporation and Port of Tauranga Ltd, have established a deep-water port (Northport Ltd) in Northland. In addition to the 13 commercial ports, there are smaller ports at Taharoa, Wanganui, Westport, and Greymouth. About two-thirds of New Zealand's total merchandise exports and imports by volume go through four main ports – Whangarei (Marsden Point), Auckland, Tauranga, and Lyttelton.

Maritime New Zealand Maritime New Zealand is New Zealand's maritime safety regulator, with the prime function of promoting maritime safety, security, and environmental protection. Specific functions and responsibilities include standards development, seafarer qualifications and licensing, oil spill protection and response, search and rescue, inspection of foreign- and New Zealand-flagged ships, port and ship security, commercial and recreational vessel safety, accident investigation, and aids to navigation.

Ship registration At 31 December 2008, there were 2,555 ships on the New Zealand Register of Ships, with a total gross tonnage of 267,412 and net tonnage of 123,851. This compares with 2,619 ships, with a gross tonnage of 270,851 and net tonnage of 124,388, in 2007. Under the provisions of the Ship Registration Act 1992, ships not exceeding 24 metres 'register length' are not required to have tonnages registered.

New registrations during 2007 and 2008 included the tanker *Torea*, the dredger *Pelican*, the container ship *Spirit of Endurance*, the cargo vessels *Jaguar* and *Anatoki*, the fishing vessels *Independent 1*, *Antarctic Chieftain*, and *Petersen*, and the barges *W.H.761* and *W.H.762*.

Seafarer qualifications Maritime New Zealand is the administrative and certification body for all New Zealand Merchant Navy, super yacht, fishing, and other commercial maritime certificates. After seafarers obtain suitable qualifying sea service, further approved training and examinations at teaching institutions are undertaken. Successful seafarers are issued with certificates of competency as master, mate, or engineer, as well as deck and engine room watch ratings.

Different classes of certificate of competency exist for foreign-going, offshore, fishing or restricted-limit ships. Foreign-going certificates and endorsements for service on special types of ships meet the requirements of relevant international conventions and may be accepted for use in other countries. All certificate of competency holders are required to meet minimum medical standards, including eyesight.

Coastguard New Zealand caters for pleasure-boat mariners on a voluntary basis. Coastguard Boating Education Services delivers courses and examinations through its tutors, courses, and examinations for day skipper, boat master, coastal skipper, ocean yacht-master certificates, and very high frequency radio. Coastguard Boating Education Services is also accredited to award Royal Yachting Association (UK) certificates.

Maritime safety, environmental protection, and security The New Zealand Government is a signatory to many International Maritime Organization and International Labour Organization conventions that specify safety standards for international ships, health and safety standards for crews, pollution prevention standards, and security arrangements. Maritime New Zealand is responsible for administering these conventions, and for inspecting foreign and New Zealand ships to ensure they meet required standards.

Maritime safety services There are 141 aids to navigation, owned and maintained by Maritime New Zealand, on headlands, capes, reefs, and shoals around 8,172 nautical miles (15,134 kilometres) of New Zealand coastline. The aids consist of 98 automatic lights, 39 day beacons, and four navigational buoys. There are no staffed lighthouses in New Zealand.

Maritime New Zealand also provides a distress and safety radio communication service for mariners, with a maritime operations centre that operates 24 hours a day, 7 days a week. The centre has satellite communication services, 30 very-high-frequency sites, and two high-frequency sites.

The distress radio service also broadcasts maritime safety information at scheduled times, including weather forecasts, and coastal navigation and weather warnings.

Image removed due to copyright issues

The New Zealand Herald

Bernard Duignan (left), general manager of the New Zealand Sugar Company, talks with Edgar Acosta in front of Captain Acosta's ship the Tiwai Point at the Chelsea Sugar Refinery, Birkenhead, Auckland in December 2009. Total freight movements on the transport system are expected to more than double by 2040. Therefore, New Zealand will need to increase the amount of inter-regional freight carried by sea, presently estimated to be 15 percent.

The cost of providing navigation aids, and the distress and safety radio service, is met from a marine safety charge levied on all commercial ships (New Zealand and foreign). The Government also contributes on behalf of the recreational boating sector.

Wrecks Where ships are wrecked on the New Zealand coast or in lakes and rivers, the director of Maritime New Zealand has powers for preserving life and protecting property.

A wreck or an article belonging to it remains the property of the owner, and it is illegal for others to take any items from a wreck. People finding or taking possession of a wreck, or articles from a wreck, must notify the Police, who may take custody until ownership is resolved.

Marine pollution Maritime New Zealand is required to protect the marine environment, and is responsible for developing and implementing New Zealand's marine oil spill response strategy.

New Zealand has obligations under the International Convention on Oil Pollution Preparedness, Response, and Co-operation, 1990, to have equipment, trained personnel, and services in place to combat oil spilled into the marine environment. The strategy sets out principles to ensure that New Zealand is prepared for, and can respond to, marine oil spills. A tiered planning and response system for dealing with oil spills has been established at local, regional, national, and international levels.

The Marine Pollution Response Service, at Te Atatu, Auckland, houses equipment that can be mobilised immediately in the event of an oil spill. This national stockpile complements equipment that Maritime New Zealand stores in key locations throughout New Zealand.

Maritime accidents Maritime New Zealand investigates maritime accidents and incidents to identify their cause, analyse trends, and make recommendations for preventing similar occurrences. Investigators also assess whether there has been any breach of law.

Figure 23.04 (see earlier page) shows reported marine accidents. An accident is an occurrence involving a ship in which: a person is seriously harmed, the ship sustains damage or structural failure, the cargo poses a threat to other ships or people, or a person is lost at sea. A full definition can be found online (www.maritimenz.govt.nz).

Search and rescue New Zealand's search and rescue region (NZSRR) is one of the largest in the world, stretching from just south of the equator to the South Pole, half-way to Australia, and half-way to Chile. The Pacific island nations of Tonga, Samoa, Niue, Tokelau, and the Cook Islands lie within this area, as does Norfolk Island.

There are two coordinating authorities for search and rescue in New Zealand. Major maritime, aviation, and distress beacon-related search and rescue operations in the NZSRR are coordinated by Maritime New Zealand's Rescue Coordination Centre New Zealand. New Zealand Police coordinates all other search and rescue operations.

Jointly, the coordination centre and police can bring together over 100 rescue services and related agencies nationwide, plus 10,000 search and rescue personnel and volunteers.

The centre provides search and rescue services 24 hours a day, 7 days a week, 365 days a year.

Effects of Oil on Wildlife Conference

New Zealand attended the 10th international Effects of Oil on Wildlife Conference at Tallinn, Estonia in October 2009.

A total of 148 participants from 25 countries and six continents attended the conference, addressing the theme: 'Science, planning, and co-operation to minimise the effects of oil on wildlife'. Participants were addressed in 56 presentations by 40 authors.

The conference was organised by Sea Alarm, the Estonian Fund for Nature, and Oil Spill Response, in close cooperation with the International Bird Rescue Research Center and Tri-State Bird Rescue and Research.

"Probably the most gratifying presentation we attended was by Sea Alarm's Roser Gasol, who presented the Country Wildlife Response Profiles database that Sea Alarm has been building since 2005," Jim Lilley of Maritime New Zealand said.

In this database, the preparedness of 78 coastal countries across the world (70 countries still to go) had been examined.

Mr Gasol presented a first analysis of this data and provided a ranking of countries in four different categories of preparedness. These categories range from 1A (the best) through 1B, 2A and B, to 3 and 4, (4 being the least prepared).

New Zealand is one of only four countries that attained the 1A ranking, the others being South Africa, Belgium, and the Netherlands.

The scientific programme ran for four days exploring the different session themes of planning, post release, case histories, training and volunteers, industry, veterinary, effects and chronic oiling, prevention and rescue, and rehabilitation methods.

In New Zealand, the 101 reported oil spills in 2008/09 represent a significant reduction from the 139 spills reported in 2007/08; however, the total volume of oil actually spilt increased from 4,202 litres during 2007/08 to 5,830 litres in 2008/09. This increase was due primarily to three major spills.

Source: Maritime New Zealand

Navigation aids – one job, many forms

In a country with more than 15,000 kilometres of coastline, much of it rugged and remote, having reliable aids to navigation (including lighthouses, light beacons, day beacons, and buoys) is essential to help guide vessels safely around the coast.

New Zealand's network of 141 aids to navigation includes 23 classic lighthouses and 75 light beacons, which are maintained by Maritime New Zealand. There are also a number of lighthouses and light beacons within harbour limits that are maintained by various port companies, facility operators, and regional councils.

Each of New Zealand's 23 classic lighthouse towers is unique. The main construction materials used also varies – most are cast iron, but some are wooden, stone, or concrete.

Wellington's Pencarrow Head lighthouse, built in 1858, is the oldest in New Zealand, and the only one to have ever had a woman keeper. The Pencarrow Head lighthouse (now owned by the Historic Places Trust) was replaced by a new harbour light at sea level and the Baring Head lighthouse, which started operating in 1935.

Tiritiri Matangi marks the approach to Auckland Harbour and is the oldest lighthouse still in operation in New Zealand, with a cast iron tower built in 1864.

The most recently built classic lighthouse in operation is Cape Reinga lighthouse, a 10-metre-high concrete tower that was first lit in 1941.

Dog Island lighthouse, a 36-metre stone and concrete tower near Bluff completed in 1865, is the tallest of the lighthouses still in operation, while Puysegur Point lighthouse in Fiordland, a 5-metre-high cast iron tower, is the shortest.

Because Dog Island lighthouse was built on a very low-lying island, it needed to be tall so that it could be seen by ships 20 nautical miles away. To make the lighthouse stand out during daylight, the tower was painted with black and white stripes, rather than the standard plain white. There are only two other lighthouses in New Zealand with stripes – Cape Campbell and Cape Palliser.

The first lighthouses had fixed lights, which did not flash and were easily confused with other lights along the shoreline. The first revolving light, a forerunner to today's electronically driven revolving lenses, was installed at Dog Island lighthouse in 1865.

In the 1950s, all New Zealand's major lighthouses were converted to electricity, accelerating the move to automatic lights.

Today all of the lighthouses are fully automated with key sites monitored remotely from Wellington by Maritime New Zealand. The last lighthouse to have a keeper was Brothers Island lighthouse, which was automated in 1990. The lighthouses are powered by batteries charged by solar panels or mains electricity, or powered directly from mains electricity.

Every 12 months contractors carry out routine maintenance on the lighthouses, with the most remote accessed via helicopters or boats. Fifteen of the lighthouses are open for public visits.

A history of each of the 23 classic lighthouses can be found online (www.maritimenz.govt.nz).

Source: Maritime New Zealand

Image removed due to copyright issues

Maritime New Zealand

The Brothers Island lighthouse, New Zealand's only rock station, is situated on the western side of Cook Strait. Extremely isolated and desolate, it was the least popular of all New Zealand's manned lighthouses and was notorious for sending keepers 'rock happy' because of the isolation. The light began with oil-powered illumination in September 1877, was converted to diesel-generated electricity in 1954, and now uses a 50-watt tungsten-halogen beacon powered by solar-charged batteries. The station was automated in 1990 and is monitored remotely from Maritime New Zealand's Wellington office. The island is now a restricted-access wildlife sanctuary administered by the Department of Conservation, and is home to tuatara and other endangered species.

Three types of beacon are used to alert the coordination centre about a distress incident:

- maritime beacons (emergency position-indicating radio beacons) for sea-based incidents
- aviation beacons (emergency locator transmitters) for air-based incidents
- personal beacons (personal locator beacons) typically for land-based incidents.

Contributors and related websites

Airways New Zealand – www.airways.co.nz

Civil Aviation Authority of New Zealand – www.caa.govt.nz

NZ Transport Agency – www.nzta.govt.nz

Maritime New Zealand – www.maritimenz.govt.nz

Ministry of Economic Development – www.med.govt.nz

Ministry of Justice – www.justice.govt.nz

Ministry of Transport – www.transport.govt.nz

Motor Vehicle Traders Register – www.motortraders.med.govt.nz

New Zealand Automobile Association – www.aa.co.nz

New Zealand Police – www.police.govt.nz

New Zealand Railways Corporation – www.ontrack.govt.nz

Personal Property Securities Register – www.ppsr.govt.nz

Statistics New Zealand – www.stats.govt.nz

Toll NZ – www.tollnz.co.nz

Transport Accident Investigation Commission – www.taic.org.nz

TravelWise – www.travelwise.org.nz

Image removed due to copyright issues

The Dominion Post

Jiten Patel has been scooping ice cream at his Oriental Bay dairy in Wellington for almost 20 years. His shop, opposite an inner city beach, is Tip Top's most popular Wellington outlet. However, the country's biggest ice cream consumers in 2009 live in, or visit, the Bay of Plenty – they swallowed an average of 6.34 scoops per person for the year.

24 | Commerce and services

In recent years, New Zealand's industries have had to compete in the international marketplace. Competitiveness has been emphasised within the New Zealand economy, with the government encouraging structural change through deregulation.

The two decades to 2010 have seen lessening of government control through across-the-board tariff reductions, the disappearance of import licensing, removal of restrictions on the operation of financial markets, and the reorganisation of State trading enterprises to be more competitive. Specific sectors deregulated to allow greater competition include the telecommunications, transport, and petroleum industries.

The withdrawal of subsidies and import controls exposed large areas of the domestic economy to new levels of competition. The result has been reorganisation and, in some cases, attrition, especially in manufacturing. These policy changes have made it necessary to review the legal environment in which business is conducted. Like virtually every developed market economy, New Zealand has laws aimed at protecting the competitive process.

The Commerce Act 1986 and the Fair Trading Act 1986 are New Zealand's main competition laws. The laws are based on the general premise that open and competitive markets will ensure the efficient allocation of economic resources. The Commerce Act was reviewed in 1992 to ensure its provisions were consistent with other Government policies promoting economic growth. Several amendments have been made to the Act since then, including the prohibition of business acquisitions that substantially lessen competition in any market.

As the economy has become more market-oriented, traditional controls in the retail sector have also been reviewed, such as the laws controlling shop trading hours and the sale of liquor. These laws have been relaxed in some areas, to encourage competition, provide structures for businesses to compete with imported products, and to meet consumer demand.

Commercial framework

Companies and partnerships

Individuals wishing to start a business can form a company under the Companies Act 1993, trade in their own name, trade in partnership with others under the Partnership Act 1908, or register a limited partnership under the Limited Partnerships Act 2008.

Table 24.01

Company registrations			
Year ending 30 June			
Year	Companies		
	New registrations	Dissolved or struck off	On register
2000	33,234	20,255	230,359
2001	35,254	20,045	249,047
2002	41,996	15,509	275,813
2003	41,457	17,223	307,461
2004	53,900	19,185	345,702
2005	63,266	23,037	388,846
2006	65,590	28,719	428,697
2007	74,247	35,292	474,212
2008	59,930	29,501	506,300
2009	47,897	32,922	520,777

Source: Ministry of Economic Development

Toolbox open for business

New visualisation techniques have enlivened web content in recent years. Interactive visualisation tools such as online maps, interactive graphs, dials, sliders, talking helpers, and streaming media allow information to be shown in dynamic, easily accessible ways.

Statistics New Zealand has recently developed the Business Toolbox, which uses some of these technologies.

The two free tools in the Business Toolbox now allow people to investigate small business in New Zealand or find target markets. Business statistics are no longer hard for small business owners to find and use. The toolbox offers fast, easy-to-understand, relevant information that can help with business decision making.

Industry Profiler is an interactive tool that gives details on demographics, industry performance over time, staff turnover, and the survival of small businesses within an industry. Business owners can search or browse to find the industry and variables they are interested in, then display the information as a chart or table.

Market Mapper is a visual mapping tool that allows users to create a density map of the residential target market, then compare areas and zoom in on suburbs. They can choose to view the market in terms of age, sex, income, or by household and family type. This tool is useful for marketing purposes and makes detailed information easy to analyse.

With Business Toolbox and its interactive visualisation technology, statistical data is no longer just for the statistically savvy, but for anyone who wants to use it.

Business Toolbox is available on the Statistics NZ website (www.stats.govt.nz).

Source: Statistics New Zealand

Companies are by far the most usual form of business operation in New Zealand. Incorporating a limited liability company under the Companies Act limits an individual's liability for any losses the business may suffer. Companies are founded on three concepts:

- shareholders have limited liability, meaning that their liability is limited to the amount they have agreed to pay for their shares, so that if the company should fail owing money, their other assets are protected from seizure to pay the outstanding debts
- shares in the company are transferable
- the company is a separate legal entity from the shareholders.

Companies in which shareholders have limited liability have names ending in 'Limited' or 'Tapui (Limited)'.

Table 24.01 shows the number of new companies registered, companies removed from the register, and the number of registered companies.

Partnerships are defined in the Partnership Act as the relationship between people carrying on a business in common, with a view to profit. Partnerships are started by mutual agreement, which can be informal; however, terms are normally contained in a written agreement.

Characteristics of a partnership are:

- each partner is usually under a joint liability for all partnership debts
- it is dissolved by the death or retirement of a partner, as a rule
- partnership interests are not usually able to be assigned or transferred
- control and management of affairs is vested in all partners (subject to the partnership agreement)
- a partner can act as an agent for the other partners and can commit the partnership to binding arrangements.

Limited partnerships can be formed for any business purpose under the Limited Partnerships Act. They consist of one general partner and at least one limited partner whose relationship is regulated by a registered written partnership agreement, which can be amended, covering its affairs and the conduct of its business.

On registration, the partners become separate legal entities able to hold property, enter contracts, sue and be sued in the partnership name, and continue until deregistration. The general partner manages the partnership business. The limited partner provides a capital contribution but does not take part in management except where the Act permits. A limited partner can leave the partnership without the need for it to be dissolved.

Commerce Commission

The Commerce Commission enforces a number of general and specific regulatory regimes set out in the Commerce Act 1986, the Fair Trading Act 1986, the Electricity Industry Reform Act 1998, the Dairy Industry Restructuring Act 2001, the Telecommunications Act 2001, and the Credit Contracts and Consumer Finance Act 2003.

Image removed due to copyright issues

The New Zealand Herald

Chief executives of Hybrid Television Services (Robbee Minicola, left), Telecom Retail (Alan Goudie, centre), and TVNZ (Rick Ellis) at the launch of TiVo, a set-top box for receiving and recording digital television, in September 2009. The companies have a partnership that allows TiVo to deliver services through uncapped broadband.

The commission, a Crown entity established under the Commerce Act, consists of up to five members appointed by the governor-general on the recommendation of the Minister of Economic Development. Associate members may also be appointed. A telecommunications commissioner was established in 2001.

The commission's revenue is derived mainly from the Crown, supplemented by fees from parties seeking adjudication decisions. In addition, the commission receives some revenue from court costs awarded, and from interest. New responsibilities in the electricity, telecommunications, and dairy industries are funded for the most part by government-imposed industry levies.

The commission's budget was \$44 million for 2009/10, up from \$41 million in 2008/09. The commission had 190 staff at December 2008 (179 permanent employees and 11 on fixed-term contract) compared with 149 staff at December 2007. It has a head office in Wellington and offices in Auckland and Christchurch that deal with Fair Trading Act responsibilities.

Commerce Act 1986 The Commerce Act aims to promote efficient operation of markets by promoting competition for the long-term benefit of consumers. The Act is designed to prevent or deter abuse of market power, collusion, and anti-competitive mergers. The Act applies to all individuals and commercial organisations, including local government, state-owned enterprises, and government departments.

The Act prohibits restrictive trade practices, such as substantially lessening competition, excluding competitors, price fixing (more commonly referred to as cartels), taking advantage of market power, and arranging prices between manufacturers and resellers. Parties planning to enter arrangements that may include restrictive trade practices can apply to the commission for authorisation. The commission will authorise the arrangement if it is satisfied that the public benefit sufficiently outweighs the detriment to competition.

The Act prohibits acquiring assets or shares in a business if the acquisition results in a substantial lessening of competition in a market. Under the Act, those acquiring assets or shares can apply to the commission for clearance or authorisation. The commission will grant a clearance if it is satisfied an acquisition will not substantially lessen competition. Even if the acquisition does result in substantially less competition in a market, the commission will grant an authorisation if there is sufficient public benefit to outweigh the detriment to competition.

Clearance or authorisation exempts the business practice or acquisition from the Act's prohibitions, and protects the business from action by the commission and private individuals.

The Act gives the Minister of Economic Development the power to set regulatory control for goods or services. Regulatory control may be imposed only where there is limited competition in the market for particular goods or services, and control is seen as necessary or desirable in the interests of consumers or suppliers.

Penalties for breaching the Act are fines up to \$500,000 for individuals, and up to the greater of either \$10 million or three times the value of any commercial gain resulting from the breach (or 10 percent of the turnover of the business if the commercial gain is unknown) for companies.

In October 2008, part 4 of the Commerce Amendment Act 2008 introduced significant changes to regulating the suppliers of electricity lines services, gas pipeline services, and specified airport services at Auckland, Wellington, and Christchurch airports. These services are subject to regulation as they are supplied in markets where there is little or no competition, and little or no likelihood of a substantial increase in competition.

The purpose of these changes is to promote long-term benefits for consumers. The changes aim to ensure that suppliers of regulated services have incentives to innovate, invest, improve efficiency, and share the benefits through lower prices, deliver services of a quality that consumers demand, and have limited ability to extract excessive profits.

Electricity Industry Reform Act 1998 This Act separates electricity distribution from electricity generation and retailing so that costs and prices in the electricity industry are subject to sustained downward pressure. Businesses generating or selling more than a specified amount of electricity cannot also own power lines. Businesses can apply to the Commerce Commission for exemptions from the Act.

Dairy Industry Restructuring Act 2001 This Act provides for regulatory and structural reform of the New Zealand dairy industry. The Act authorised the amalgamation of New Zealand's two largest dairy cooperatives, the New Zealand Cooperative Dairy Company Ltd and Kiwi Cooperative Dairies Ltd, into Fonterra Co-operative Group Ltd, and the resulting ownership by Fonterra of all shares in the New Zealand Dairy Board.

The result gave Fonterra significant power in New Zealand's dairy markets. The Act therefore provides for measures to mitigate the risks of that market power. The commission continues to monitor developments in dairy market competition, and to consider implications in terms of the Act.

Telecommunications Act 2001 This Act promotes competition in the telecommunications industry for the long-term benefit of consumers. Under the Act, the Commerce Commission:

- sets regulated terms and conditions for regulated access services
- determines the cost of telecommunications service obligations, and divides the annual net cost between Telecom and liable carriers

Equal business access for ethnic peoples

Helping people from different ethnic communities to have equity of access to business opportunities and employment is a priority for the Office of Ethnic Affairs (OEA).

To do this, the office works with central and local government and with business sector organisations to encourage them to employ qualified people from different ethnic backgrounds. OEA also advises on managing diversity in the workplace.

In larger urban centres, OEA organises knowledge forums for people wanting to establish a business in New Zealand. These forums give members of ethnic communities an opportunity to understand the country's business environment, including the administrative and legal requirements. In return, OEA learns about the issues the communities face and can approach other agencies if required.

The office supports ethnic communities to access business services and/or training that is available from government agencies, and connects the communities with agencies that have responsibility for business development opportunities (eg Ministry of Foreign Affairs and Trade, and Ministry of Economic Development). These links provide opportunities for:

- both sides to understand each other better and build relationships
- agencies to utilise the different communities' linguistic and cultural expertise, and their international contacts, to help develop New Zealand's markets
- ethnic communities to contribute to the country's economic development.

The OEA, a government agency, was established in 2001 to advise government on issues for those whose culture and traditions distinguish them from the majority of New Zealanders. The office works mainly with migrants, refugees, and established communities from Asia, Africa, the Middle East, Latin America, and continental Europe.

Source: Office of Ethnic Affairs

Table 24.02

Stock exchange statistics			
Year ending 31 December			
Year	Number of companies listed on New Zealand stock exchange markets		Share price index ⁽¹⁾
	Overseas	New Zealand	
1930	..	..	309
1935	..	..	341
1940	..	..	306
1945	..	..	413
1950	..	..	506
1955	..	..	554
1960	..	..	854
1965	..	..	1060
1970	83	300	1361
1975	79	305	1159
1980	75	275	1599
1985	81	316	4964
1990	74	171	514
1995	60	145	1287
1996	65	136	1527
1997	79	146	1572
1998	83	146	1520
1999	84	134	1778
2000	77	144	1616
2001	71	149	1886
2002	69	151	1966
2003	60	169	2487
2004	57	195	3184
2005	44	194	3469
2006	31	151	4118
2007	26	152	4107
2008	36	162	2721

(1) Until 1966, Department of Statistics Index; from 1967 to 1986, Reserve Bank of New Zealand Share Price Index; from 1987, New Zealand Stock Exchange Gross Index; from 2003, NZX All Index. Base: July quarter 1986 (= 1000).

Symbol: .. figure not available

Source: NZX Ltd

- monitors regulation
- administers the separation of operations and accounting
- recommends changes to the list of regulated services to the Minister of Communications.

The Telecommunications Act was amended in December 2006. The amendment gives the commission scope to set access terms and conditions for the industry without having to wait for an access dispute to be referred to the commission. The access terms set by the commission apply to all players in the market, not only the parties involved in the access dispute.

Takeovers Panel

The Takeovers Panel is a body corporate established by the Takeovers Act 1993. The panel has between five and 11 members, who are appointed by the Minister of Commerce. At least one member must be a barrister or solicitor of the High Court of New Zealand with at least seven years' experience.

The law relating to takeovers of specified companies is kept under review by the panel, which recommends any changes it considers necessary to the government. Practices relating to takeovers of specified companies are also kept under review.

In exercising its powers, the panel investigates any act or omission, or practice. Determinations, orders, and applications to the court are made under the enforcement provisions of the Takeovers Act.

The panel cooperates with overseas regulators by providing information that may be useful to that regulator. The panel also promotes public understanding of the law and practice relating to takeovers.

In exercising its functions and powers, the panel is required to comply with the principles of natural justice – to ensure protection of a person's rights, obligations, and interests.

Stock exchange

NZX Ltd is a publicly listed company on the New Zealand Stock Exchange. It operates and regulates the NZX capital markets, which include NZSX (the stock market), NZAX (alternative market), and NZDX (debt market). Together these markets provide a diverse offering for companies wishing to raise growth capital and for investors looking for secure and liquid investment opportunities.

NZX operates the securities and energy markets in New Zealand and in 2010 it launched new derivatives markets. NZX also operates four agricultural data and information businesses in New Zealand. NZX owns the exchange-traded fund provider Smartshares and FundSource, a managed fund research business. NZX also has a 50 percent investment in the share registry Link Market Services and a 30 percent share of the fund management administration business Appello Services.

At 31 December 2009, the NZSX market had 217 listed securities (including alternative market equities) of which 31 were from overseas. The NZDX is where companies and the government list bonds and other fixed-interest securities. The NZAX is for small to medium-sized and non-standard entities. At 31 December 2009, 151 New Zealand companies and 31 from overseas were listed on NZX's markets.

Investors can trade derivatives based on New Zealand securities at the Sydney Futures Exchange (SFE). Called NZFOX, they are futures and options products listed on the SFE. Futures and options allow investors to hedge against risk, or speculate (take on extra risk in the hope of making a profit).

NZX firms are accredited to provide investment advice and to buy and sell securities on NZX's markets on behalf of clients. NZX firms also advise entities on listing, and assist entities to raise capital by issuing securities. NZX is responsible for regulating the conduct of those who participate in its market, including NZX firms, other market participants, and listed issuers.

Under listing rules, listed issuers are required to disclose any information that is relevant for investors. NZX publishes these disclosures of information as market announcements, which ensures the market is kept informed. There are also listing rules relating to the appointment of directors, disclosure of financial results, and general conduct.

NZX generates revenue from listing fees paid by listed issuers, accreditation fees paid by NZX advisors and NZX firms, fees for trading activity, and from the sale of market data, such as trading statistics and prices. Revenue is also earned from the sale of exchange-traded funds, a type of investment product.

At 31 December 2008, NZX managed five exchange-traded funds: the NZX 10 Fund (smartTENZ), the NZX MidCap Index Fund (smartMIDZ), the NZX 50 Portfolio Index Fund (smartFONZ), the NZX Australian MidCap Index Fund (smartMOZY), and the NZX Australian 20 Leaders Fund (smartOZZY).

Securities trading is facilitated through the Trayport GlobalVision Exchange Trading System, implemented in July 2007. Orders to buy and sell securities are placed into the system by NZX brokers, and are matched according to price and time priority. After orders are matched, securities and payment are delivered, and securities are registered in the name of the new owner. The new technology platform includes a trade reporting system for the electronic communications network being established in Australia by NZX and five major banks.

NZX calculates a number of share price indexes, including the NZX50. This index tracks the collective movement in market value of the 50 largest listed issuers on the NZSX market. In 2006, NZX launched the sci-tech index to highlight the performance of companies listed with NZX that have significant business interests in developing and commercialising new technologies. The index acts to promote and raise the profile of listed tech companies.

Figure 24.01 shows movement of the NZX all index from 1988 to 2008.

Figure 24.01

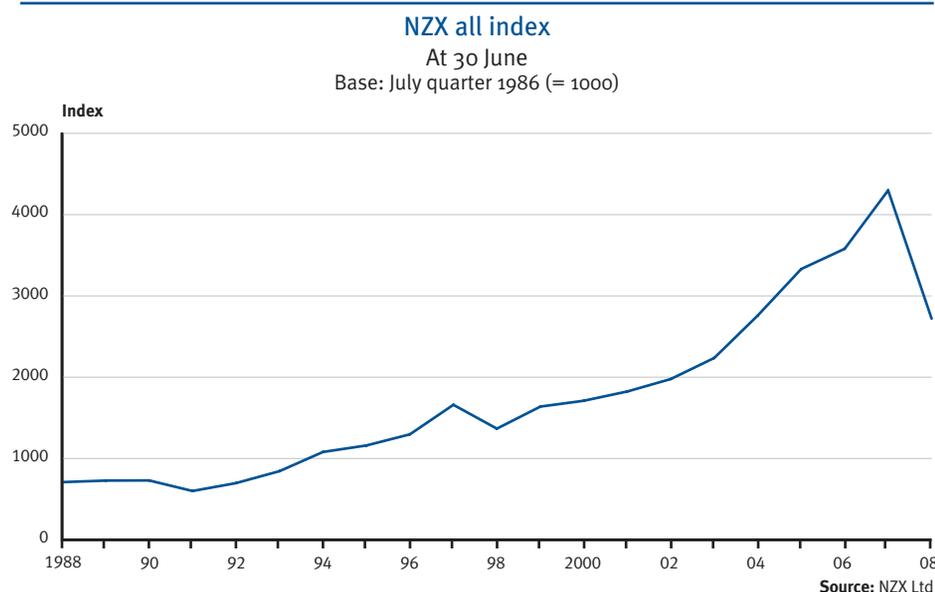


Table 24.03

Bankruptcies	
Year ending 30 June	
Year	Number
2000	2,675
2001	2,859
2002	2,811
2003	2,800
2004	2,791
2005	2,995
2006	3,087
2007	3,593
2008	2,469
2009	2,521

Source: Ministry of Economic Development

Securities Commission

The Securities Commission is an independent Crown entity under the Securities Act 1978 and is New Zealand's main regulator of investments.

The commission's purpose is to strengthen investor confidence and foster capital investment in New Zealand by promoting the efficiency, integrity, and cost-effective regulation of the securities markets.

The key roles of the commission are:

- Surveillance and enforcement – monitor securities market activity, inquire into suspected breaches of securities law, and take action to enforce the law
- Oversight and supervision – oversight of NZX's performance of its regulatory function and preparation for potential supervisory roles under government reforms
- Law and practice reform – review securities law, and practice and make recommendations for reform
- Exemptions and authorisations – consider and decide on applications for exemptions from the provisions of the law and for authorising market participants, including futures exchanges and dealers, trustees and statutory supervisors; and review existing authorisations
- International liaison – promote New Zealand's markets as well regulated, keep abreast of developments in global standard setting, and contribute the commission's views
- Public understanding – promote public understanding of the law and practice relating to securities and financial advisers.

Insolvency

What happens when debts can no longer be paid depends on whether an individual or a company has become insolvent.

Bankruptcy Insolvency of individuals is referred to as bankruptcy. The main laws that relate to bankruptcy are the Insolvency Act 2006, the Insolvency Regulations 2007, and the High Court Amendment Rules (No. 2) 1999. Bankruptcy matters come under the jurisdiction of the High Court of New Zealand.

Financial advisers now regulated

The Financial Advisers Act 2008, due to be implemented by the end of 2010, introduces minimum standards of professionalism for financial advisers.

The Act aims to build consumers' confidence in the professionalism and integrity of financial advisers, making them accountable for the advice they give.

All individuals who are financial advisers, and businesses that employ them, need to register online with the Companies Office (www.fspr.govt.nz) and belong to an approved dispute resolution scheme. The electronic register is available for any member of the public to check.

The Act requires individual advisers to act with care, diligence, and skill, and not to mislead clients.

Financial advisers who provide advice on complex investments such as shares, managed funds, and futures contracts, and/or provide a financial planning service, will also need to be authorised by the Securities Commission and comply with a code of professional conduct. The code specifies minimum standards for competence, knowledge and skills, client care, ethical behaviour, and continuing professional training.

The Securities Commission advises consumers to ask an adviser the following questions before engaging them:

- Who is the adviser – what are their qualifications and do they work with others or alone?
- How is the adviser paid – through fees or commissions, and what is the maximum you will pay?
- What services does the adviser offer – do they specialise in the products and services you want, and do they understand your needs? Will they put details of the advice on paper for you?

When the law is in force, consumers should consult the public register of financial advisers and take advice only from a registered adviser.

Under the Act, the Securities Commission is the regulator of financial advisers and can take action to ensure the law is complied with. Processes for handling complaints and resolving disputes have been established.

Source: Securities Commission

Image removed due to copyright issues

The New Zealand Herald

Paraparaumu couple Rowland and Marvyn Crone had invested in Strategic Finance, a company that went into receivership in March 2010, owing \$417 million to 13,000 investors. The company had failed to meet the terms of its debt scheme as a falling property market pushed up bad loans.

Bankruptcy can be initiated in two ways:

- a debtor can file a completed 'statement of affairs' and application for bankruptcy with the official assignee. When the statement is accepted as being a true and correct representation of the debtor's affairs and application, the debtor is made bankrupt
- a creditor can file a petition in the High Court seeking a debtor's bankruptcy.

At least \$1,000 must be owed by a debtor seeking to make themselves bankrupt, or where a creditor is seeking to make a debtor bankrupt.

The official assignee administers the insolvency. The assignee investigates the bankrupt's financial affairs, and follows up on matters likely to result in recovering funds for the creditors. The assignee has the power to sell the bankrupt's property, enforce debts due to the bankrupt's estate, or carry on the business of the bankrupt so far as it is necessary or expedient for its disposal or conclusion.

When all assets have been converted to cash, the official assignee deducts expenses incurred, pays any debts that have statutory priority, and then divides the proceeds among creditors. Secured creditors are paid from the proceeds of their security and other creditors are paid proportionally.

Bankruptcies are generally automatically discharged after three years. Where the debtor has initiated the bankruptcy, the three years start from the adjudication. Where the creditor has initiated the bankruptcy, the three years start from when the debtor filed a satisfactory statement of affairs with the official assignee.

Alternatives to bankruptcy A debtor may apply for an alternative to bankruptcy, such as a 'summary instalment order', or seek admission to the 'no asset procedure' if their debts total \$40,000 or less.

A summary instalment order involves paying creditors in part or in full over a period of up to three years. While the summary instalment order is in force, creditors included in the order cannot seek to enforce their debt. The debt repayment period can be extended to five years under special circumstances.

The no asset procedure is designed for consumer debtors with no assets, no means of repaying any of their debts, debts of \$40,000 or less, and who have not been previously bankrupt or entered a no asset procedure. Unlike bankruptcy, the no asset procedure lasts for only 12 months. It can be terminated by the official assignee if it is found that the debtor has misled the assignee about their affairs when applying for the procedure. Creditors cannot pursue the debtor for debts included in the no asset procedure.

Creditors may accept a composition (an agreement among all creditors of a debtor to accept a percentage of the amount due as full payment) as satisfying the debts due to them.

Company liquidation Liquidation, sometimes called winding up, is the legal process by which a company's life is ended. The company's assets are converted to cash, creditors are paid as far as possible, any surplus is distributed to shareholders, and the company is then removed from the register, after which it ceases to exist. Companies are liquidated according to provisions in the Companies Act 1993.

Company receivership Companies with heavy debt loads and cash-flow problems can have a receiver appointed over their assets, either by the court, or, more commonly, under a clause in a security. Securities often contain a detailed statement of events that will enable the holder to recover the loan if the borrower gets into financial difficulties. One of these provisions is the power of the security holder to appoint a receiver.

A receiver's function is to sell what is necessary to recover the amount owed to the holder (plus costs), or to manage the company's business for this purpose, and then retire as receiver. No property of the company is actually vested in the receiver. Although the directors remain in office, the receiver's power supersedes theirs. The receiver is an agent for, not an officer of, the company. Receivership is quite distinct from liquidation, as a receiver acts only for the benefit of the debenture-holder who appointed him or her, whereas a liquidator acts for unsecured creditors.

Voluntary administration A procedure called voluntary administration provides an alternative to liquidation for companies in financial distress. It is intended to be a relatively short-term measure that freezes the company's financial position while the administrator and the creditors determine the company's future.

Controls on trading

The two overarching pieces of legislation setting out consumer rights and protections are the Fair Trading Act 1986 and the Consumer Guarantees Act 1993.

Fair Trading Act

The aim of the Fair Trading Act 1986 is to promote product safety and ensure customers receive accurate information about goods and services. The Act protects consumers from unfair business practices and protects businesses that comply with the legislation from unfair competition. The Act covers all advertising and selling of goods and services, but does not cover private sales.

The Act prohibits misleading and deceptive conduct, false representation, and unfair practices by people in trade. These include false statements that goods or services:

- are a particular price or involve particular savings
- are of a particular kind, standard, quality, grade, or origin
- are endorsed by an organisation or sponsor
- are supplied with particular warranties or guarantees
- have particular uses or benefits.

The Act makes it a criminal offence to engage in certain unfair or misleading practices, including:

- offering free gifts or prizes when supplying goods or services if those involved do not intend to award the gift or prize
- 'bait' advertising, such as advertising 'specials' or 'loss leaders' attracting customers into a shop if the advertiser does not intend making the goods or services available for a reasonable time and in reasonable quantities
- demanding or accepting payment without intending to supply the goods or services ordered
- making misleading representations about profitability, risk, or other matters affecting a business run from a home
- using physical force, harassment, or coercion when supplying goods or services
- pyramid selling schemes.

The Act gives the Minister of Consumer Affairs the power to ban and recall unsafe products and to make consumer information and product safety standards mandatory.

Consumer information standards cover:

- used motor vehicles
- country-of-origin labelling of clothing and footwear
- care labelling for textile goods (such as dry-cleaning, and washing and ironing instructions)
- fibre content labelling of textile goods.

Product safety standards cover household cots, baby walkers, toys for children aged up to three years, children's nightwear and some daywear, cigarette lighters, and bicycles.

The Commerce Commission is responsible for enforcing the Act, but anyone – consumers and businesses – can take legal action under the Act. Criminal court action may result in fines of up to \$60,000 for individuals and \$200,000 for companies. The commission can prosecute both a company and any individual involved in a breach.

Fair Go – a voice for consumers

Thirty-three years after it started broadcasting, the Television New Zealand consumer programme *Fair Go* is looking very different.

Only six episodes were planned when it first went to air in 1977. However, within a few weeks it was rating at number two or three, and was extended into two 10- to 12-week seasons.

At the time, *Fair Go* was the only television programme where the public generated the stories; the mantra was 'don't just show us the problem – fix it'.

Big stories in the early years were about motor vehicles, tradespeople, and insurance – in other words, buildings and cars. But *Fair Go* also delved into small issues, such as the thickness of toilet paper and the effectiveness of insect repellent.

By the mid-1980s, the programme was receiving around 3,000 consumer complaints a year. It established a reputation for breaking big investigative stories about rusty imported cars, the weather-tightness of weatherboards, and problems with car ownership. What started as an entertainment show had become a major current affairs programme.

In the 1990s, *Fair Go* moved from Wellington to Auckland, and with the public relations (PR) industry becoming more sophisticated, businesses began using PR companies – and lawyers – to represent their views on air.

With the introduction of consumer laws, such as the Consumer Guarantees Act 1993, the nature of complaints changed and there were fewer stories about 'cowboy' and 'fly-by-night' tradespeople or shady car dealers. Insurance and the Accident Compensation Corporation were the source of many complaints, with most stories focusing on housing issues.

Fair Go has been a full-year programme since the 1990s, and in the 2000s it continues to receive around 300 complaints a week.

A 2007 survey revealed how complaints have changed since the programme first went to air. About 30 percent are now about telecommunications companies and new technology, 20 percent are about insurance issues, 10 percent each for appliances and cars, and up to 10 percent are about towing and parking battles. The remainder are gripes about building and tradespeople, real estate and energy companies, banks and finance companies.

Source: Television New Zealand

New Zealand perceived as least corrupt

Transparency International, a non-government organisation based in Berlin, issues a corruption perceptions index each year.

The index assesses the impact of perceived corruption on commercial and social life in each country – as reported by people working for multinational firms and institutions. The index is not an assessment of the actual level of corruption.

New Zealand is consistently perceived as being one of the least corrupt countries in the world.

The index allocates a country a score out of 10, with 10 indicating a country is perceived as having a negligible level of corruption and zero seen as highly corrupt.

In 2009, New Zealand was ranked first with a score of 9.4. Somalia, with a score of 1.1, was ranked lowest on the 2009 corruption perceptions index.

Countries perceived as least corrupt

Country	By score 2008, 2009	
	2008	2009
New Zealand	9.3	9.4
Denmark	9.3	9.3
Singapore	9.2	9.2
Sweden	9.3	9.2
Switzerland	9.0	9.0
Finland	9.0	8.9
Netherlands	8.9	8.9
Australia	8.7	8.7
Canada	8.7	8.7
Iceland	8.9	8.7

Source: Transparency International

Image removed due to copyright issues

The Press

Alex Bushuev Jr plays a video game his father bought in an online auction. Goods bought online at a fixed price are subject to the Consumer Guarantees Act 1993, but the Act does not apply to goods bought through an auction. However, online auctions do need to comply with the Fair Trading Act 1986.

Consumer Guarantees Act

The Consumer Guarantees Act 1993 protects consumers after a purchase is made. Whenever a consumer purchases goods or services from a trader, statutory guarantees automatically apply. As with the Fair Trading Act, the Consumer Guarantees Act protects consumers from unfair business practices, and protects businesses that comply with the legislation from unfair competition. The Act also covers items given away by a trader or manufacturer when goods are purchased.

Under the Act, a trader must have the right to sell the goods, and the manufacturer or importer must take steps to have spare parts and repair facilities available. All goods must:

- be of acceptable quality
- be fit for their particular purpose
- match their description
- match a sample or demonstration model
- be priced reasonably.

The Act also ensures consumer rights when services paid for are not carried out properly. Services must be:

- provided with reasonable care and skill
- fit for their particular purpose
- completed within a reasonable time
- provided at a reasonable price.

If a guarantee is not met, consumers have the right to a remedy from the trader (or in some cases the manufacturer). If the problem is minor, the trader can choose to either repair, refund, or replace the faulty product. If the problem is major, the consumer can reject the goods and choose a replacement or refund, or can keep the goods and seek compensation for the reduced value of the goods. Since July 2003, the Consumer Guarantees Act also applies to electricity, gas, water, and computer software.

Online trading

When consumers buy an item at a fixed price from a trader online, their rights are the same as in a shop and the Consumer Guarantees Act applies. That means if the item isn't of acceptable quality, the consumer can return it for a refund, replacement, or repair, depending on how serious the problem is. However, the Consumer Guarantees Act doesn't apply to auctions, competitive tenders, or private sales.

Online auctions and competitive tenders must comply with the Fair Trading Act, which prohibits traders from making misleading claims or false representations about goods and services for sale.

Private sales are not covered by the Fair Trading Act or Consumer Guarantees Act, but may be covered by the Contractual Remedies Act 1979 or the Sale of Goods Act 1908.

If the company isn't in New Zealand, then New Zealand laws may not apply. Consumers should check which laws or protections apply before they purchase from an online store.

Other legislation covering consumer law

The following laws also support consumers.

Auctioneers Act 1928 – requires all auctioneers to be licensed. Entry to the occupation depends on an applicant being able to satisfy a district court judge that they are ‘fit and proper’ and financially secure. These requirements fit with the Act’s primary objective to protect consumers from reckless or incompetent auctioneers and financial loss.

Credit Contracts and Consumer Finance Act 2003 – regulates consumer credit, including home loans, personal loans, credit sales/hire purchase, credit cards, long-term leases, and housing buy-back schemes. The Act requires disclosure of key information to the debtor, prohibits unreasonable fees, allows contracts to be varied in cases of hardship, and provides for oppressive contracts to be reopened.

The 2003 Act replaces the Credit Contracts Act 1981 and the Hire Purchase Act 1971. These acts still apply to credit contracts and hire purchase agreements entered into before 1 April 2005. The Credit Contracts and Consumer Finance Act is enforced by the Commerce Commission.

Credit (Repossession) Act 1997 – standardises procedures relating to the repossession of goods under a security agreement. The Act covers the repossession process that a creditor (or agent) must follow for all secured loans and hire purchase agreements over consumer goods.

Door to Door Sales Act 1967 – regulates agreements for the sale of goods and services on credit when a trader approaches the consumer at home.

Layby Sales Act 1971 – sets out rules for layby sales where the goods being bought are not available to the buyer until the purchase price is paid off by instalment. The Act does not apply to layby sales over \$7,500, or to motor vehicles sold by licensed dealers.

Motor Vehicle Sales Act 2003 – requires that all motor vehicle traders are registered on the Motor Vehicle Traders Register (including car market operators and vehicle auctioneers). Traders are required to display a consumer information notice, as prescribed under the Consumer Information Standards (Used Motor Vehicles) Regulations 2008, with all used motor vehicles for sale. The Ministry of Economic Development administers the register and its national enforcement unit carries out enforcement. The Commerce Commission enforces the consumer information notice.

Unsolicited Goods and Services Act 1975 – provides protection for people who receive unsolicited goods, or invoices for unordered goods or services.

Weights and Measures Act 1987 – protects New Zealand’s system of metric weights and measures, and prescribes their use in the marketplace. The Act ensures that goods sold by weight, measure, or number are traded fairly and in accordance with internationally recognised principles. The Ministry of Consumer Affairs enforces the Act.

Ministry of Consumer Affairs

The Ministry of Consumer Affairs Manatū Kaihokohoko is part of the Ministry of Economic Development. The ministry’s primary role is to create an environment where consumers can make informed choices and purchase with confidence.

The ministry’s work includes:

- developing consumer policy on consumer protection, product safety, and weights and measures

Image removed due to copyright issues

The New Zealand Herald

Auctioneer Grant Childs (centre) works the crowd at a charity auction for a house in Rotorua in November 2009. Under the law, all auctioneers must be licensed. An applicant needs to satisfy a district court judge that they are ‘fit and proper’ to become an auctioneer and are financially secure.

Definitely more than a spoonful

Judges at New Zealand's 2009 Ice Cream Awards were clear they could manage a decent-sized portion of the supreme winner, a licorice gelato from a Takapuna café on Auckland's North Shore. And they could have followed it up with a winning mango sorbet from the same manufacturer.

A record 211 ice creams, sorbets, and gelati were entered into the 2009 awards, in which judges looked for appearance, flavour, and melting defects, as well as at the body and texture of the product.

The New Zealand Ice Cream Manufacturers' Association is 82 years old. Since its beginning, its membership has diversified towards smaller boutique operators who are contributing new flavours and products. In 2009, New Zealand-grown fruits and flavours were evident – feijoa, figs, and guava; and manuka honey, lemon curd, and lavender.

The Open Creative category gave other more unusual flavours the opportunity to be tested before hitting the market. Flavours included salmon, pear and blue cheese, and strawberries with cracked pepper and nasturtium flowers.

Innovation was less common in the ice cream categories, with long-time favourites such as hokey pokey, vanilla, and chocolate on the list. Winner of the standard vanilla ice cream category was the much-loved two-litre box of Tip Top vanilla.

Top-of-the-line for the children judging the kids' choice award in 2009 was a chocolate fudge brownie ice cream. What a job!

Source: New Zealand Ice Cream Manufacturers' Association

- providing appropriate, accurate, and accessible information, education, and advice for consumers and businesses on consumer law and issues
- investigating unsafe consumer products
- providing advice on consumer representation, including a nomination service to government departments and agencies
- administering a range of consumer legislation
- enforcing the Weights and Measures Act.

Consumer NZ

Consumer NZ aims principally to collect and disseminate information that benefits consumers, and to advance the interests of its subscribing members and consumers generally. Consumer NZ does this through research, publishing *Consumer* magazine and a website (www.consumer.org.nz), and public advocacy on behalf of all New Zealand consumers.

Consumer NZ's work includes:

- comparative tests and surveys of consumer goods and services
- research into and advice on financial, food, health, safety, welfare, and environmental matters
- representation at parliamentary committees and public inquiries
- liaison with government, business, trade, and safety organisations
- consumer education
- complaints advisory work for members.

Consumer magazine covers a wide range of consumer information and protection material, including results of tests on home appliances and other products. The website supplements the magazine, and runs exclusive online tests and features. It also hosts a register of product safety recalls.

Funded through membership subscriptions, the sale of publications, and contract research, Consumer NZ is independent and impartial. It has no financial ties with any commercial organisation. However, it does have a good relationship with most traders and liaises with trade and professional associations, as well as government departments, safety organisations, and special-interest groups.

Shop trading hours

Shops in New Zealand can open every day of the year, 24 hours a day, except on Christmas Day, Good Friday, Easter Sunday, and before 1pm on Anzac Day. Exceptions allow corner dairies/mixed businesses, service stations, takeaway outlets, souvenir and duty-free shops, shops at public passenger transport terminals, and genuine exhibitions and shows to open on any day. Garden centres have a specific exemption allowing them to open on Easter Sunday.

Sale of liquor

Under the Sale of Liquor Act 1989, 18 years is the minimum legal age at which a person may purchase liquor, or be on licensed premises in certain circumstances.

A person aged under 18 years may be on licensed premises (other than restricted areas) and be supplied with liquor, providing he or she is accompanied by a parent or legal guardian and liquor is supplied by the parent or guardian.

All on- and off-licence premises are permitted to sell liquor any day of the week. However, hotels, taverns, and off-licences are prohibited from selling, supplying, or delivering liquor on Good Friday, Easter Sunday, Anzac Day (before 1pm), and Christmas Day. The law does not apply to people living in a hotel or tavern, or people dining on the premises. Wineries may sell or deliver wine on Easter Sunday if it is made on their premises or from grapes or fruit harvested from land on which the premises are situated.

Supermarkets and grocery stores may be licensed to sell beer, wine, and any food condiment containing liquor if the food condiment has been prepared for culinary purposes and rendered unsuitable for drinking.

The sale of liquor to any member of the public requires one of four types of licence:

- On-licences authorise the sale and supply of liquor to any person on the premises or conveyance (such as a ship or aircraft) for consumption on the premises only. Examples include taverns, licensed restaurants, and nightclubs.
- Off-licences authorise the sale or delivery of liquor on or from the premises to any person for consumption off the premises. Examples are wine resellers, supermarkets, and bottle stores.
- Club licences authorise the sale and supply of liquor on the premises for consumption on the premises by a club member or guest of a member, or by members of a club who have reciprocal

Image removed due to copyright issues

Otago Daily Times

Emmit demonstrates how he has been trained to take a disabled person's wallet, pass it to a retailer to pay for the person's items, then return the wallet to the shopper. Arrowtown residents and trainers Grant and Judy Reid have taught the golden retriever to help with 46 different tasks, including shopping.

visiting rights. (A 'club' means a chartered club, a club that participates in or promotes any sporting or other recreational activity other than for gain, or any group of people combined for any purpose other than gain.)

- Special licences authorise the sale and supply of liquor on the premises or conveyance to any person attending any occasion or event.

Hours of sale The hours during which liquor is allowed to be sold, delivered, or consumed are a condition of the licence and are not set out in legislation. Each application is dealt with on its merits.

Liquor licensing New Zealand's central liquor licensing body is the Liquor Licensing Authority, which consists of a district court judge as chairperson, together with three or four members appointed by the governor-general on the recommendation of the Minister of Justice.

The authority considers and determines opposed applications for on-, off-, and club licences, and for manager's certificates referred to it by district licensing agencies. It also decides on appeals against decisions by district licensing agencies and considers the suspension and cancellation of licences.

There are 74 district licensing agencies, which are essentially the city or district authority. District licensing agencies receive applications for liquor licences, gather reports, and determine all unopposed applications. Opposed applications are forwarded to the Liquor Licensing Authority. District licensing agencies grant special licences and temporary authorities, whether opposed or not.

Retail trade and services

Retailing includes retail businesses, accommodation, restaurants, and businesses providing household and personal services.

Retail trade statistics are important indicators of economic activity, as retail trade constitutes a large proportion of personal expenditure on consumer goods and services. Table 24.04 shows annual retail sales from 2005 to 2009.

Table 24.04

Industry	Retail sales ⁽¹⁾				
	By industry				
	Year ending 31 March				
	2005	2006	2007	2008	2009
	\$(million)				
Supermarkets and grocery stores	11,325	11,965	12,805	13,887	14,521
Fresh produce retailing	832	899	921	885	960
Liquor retailing	1,010	1,052	1,112	1,222	1,244
Other food retailing	750	827	881	784	751
Takeaway food retailing	922	1,047	1,162	1,219	1,231
Department stores	3,382	3,482	3,623	3,778	3,806
Furniture and floor coverings	1,376	1,493	1,539	1,603	1,377
Hardware retailing	1,141	1,309	1,395	1,551	1,453
Appliance retailing	2,196	2,334	2,499	2,472	2,476
Recreational goods retailing	2,123	2,135	2,258	2,354	2,284
Clothing and softgoods retailing	2,165	2,413	2,482	2,588	2,556
Footwear retailing	319	354	398	437	459
Chemist retailing	1,563	1,626	1,747	1,787	1,854
Household equipment repair services	301	310	321	348	359
Other retailing	2,520	2,610	2,718	2,805	2,948
Accommodation	2,283	2,387	2,490	2,562	2,593
Bars and clubs	1,084	1,117	1,155	1,164	1,232
Cafes and restaurants	3,099	3,449	3,638	3,844	3,861
Personal and household goods hiring	213	214	245	243	231
Other personal services	1,478	1,541	1,662	1,734	1,775
Subtotal	40,079	42,564	45,053	47,268	47,971
Motor vehicle retailing	8,349	8,211	8,040	8,377	6,917
Automotive fuel retailing	4,633	5,430	5,855	6,572	6,978
Automotive electrical services, smash repairing, and tyre retailing	1,346	1,432	1,494	1,500	1,454
Automotive repair and services nec ⁽²⁾	1,659	1,875	1,862	1,985	1,970
Total	56,066	59,511	62,305	65,703	65,290
Sales per head of population (\$)	13,764	14,478	15,000	15,491	15,250

(1) Figures exclude goods and services tax. (2) nec: not elsewhere classified.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Retail sales trends

Retail sales fell 0.6 percent in the year ending 31 March 2009, down to \$65,290 million, when compared with \$65,703 million in the previous March year. Core retailing, which excludes the four vehicle-related industries, rose 1.5 percent (\$703 million), but this was more than offset by a 6.1 percent (\$1,116 million) fall in the vehicle-related industries.

By industry group, supermarkets and grocery stores had the largest dollar-value increase in the year ending March 2009, up \$634 million (4.6 percent). This increase was despite the volume of sales being 2.7 percent lower when compared with the year ending March 2008. The automotive fuel retailing industry had the second-largest dollar-value increase in 2009, up \$406 million (6.2 percent) despite a 3.7 percent fall in the volume of sales.

The largest decrease in sales value was in motor vehicle retailing, down \$1,460 million (17.4 percent) compared with the previous year. A 16.1 percent fall in the sales volume drove the decrease.

The value of retail sales per head of population was \$15,250 in the year ending 31 March 2009, down 1.6 percent from the previous March year.

Regional sales

Retail sales in the year ending 31 March 2009 decreased 1.3 percent in the North Island and increased 1.3 percent in the South Island, compared with the previous year. The Canterbury region had the largest percentage increase in sales, up 3.3 percent (\$276 million).

Table 24.05

Retail sales ⁽¹⁾					
By region					
Year ending 31 March					
Region	2005	2006	2007	2008	2009
	\$(million)				
Auckland	19,153	20,037	20,952	21,407	20,792
Waikato	4,962	5,242	5,707	6,001	5,915
Wellington	5,950	6,285	6,642	7,098	7,243
Remainder of North Island	12,525	13,518	13,911	14,888	14,820
Total North Island	42,590	45,082	47,212	49,394	48,770
Canterbury	6,869	7,431	7,767	8,380	8,656
Remainder of South Island	6,608	6,998	7,325	7,929	7,864
Total South Island	13,476	14,429	15,093	16,309	16,521
Total New Zealand	56,066	59,511	62,305	65,703	65,290

(1) Figures exclude goods and services tax.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 24.06

Credit card use						
Year ending 31 December						
Year	Advances		Billings ⁽¹⁾⁽²⁾		Average monthly retail sales (excluding motor vehicle retailing) ⁽²⁾	Card spending in New Zealand as proportion of retail sales
	Total outstanding	New Zealand cardholder spending in New Zealand	Overseas cardholder spending in New Zealand	Total		
						Percent
	\$(million)					
2000	2,904	900	142	1,042	3,046	34
2001	3,390	1,150	165	1,315	3,219	41
2002	3,768	1,312	199	1,511	3,429	44
2003	3,956	1,438	217	1,655	3,615	46
2004	4,210	1,585	235	1,820	3,914	47
2005	4,533	1,738	240	1,978	4,208	47
2006	4,856	1,899	250	2,149	4,447	48
2007	5,208	2,067	262	2,329	4,713	49
2008	5,464	2,137	279	2,416	4,882	49
2009	5,429	2,095	277	2,372	4,778 ⁽³⁾	49 ⁽³⁾

(1) Credit card spending includes services and other purchases not included in retail sales. (2) Figures are monthly averages over the complete year. (3) For 2009, figures are over the 11 months to November 2009.

Source: Reserve Bank of New Zealand; Statistics New Zealand

The money or the bag?

“The money or the bag?” is a question from a classic New Zealand radio and television game show. Contestants reached a point where they either chose the money or took a gamble on the bag’s contents. The bag could contain a valuable prize, a booby prize, or be of lower value than the money on offer.

In a report examining why New Zealand consistently has a high ranking for innovation, but ranks lower in markers of international business success, New Zealand Trade and Enterprise suggests that New Zealand businesses need to cultivate a hunger for greater and greater success – to risk the bag, rather than take the money.

Playing to our Strengths: Creating value for New Zealand companies suggests that the determined ‘do-it-yourself’ attitude that drives New Zealand innovation is also a trait that holds the country back economically.

Along with the attitude that we can and should do it all ourselves, other cultural traits highlighted in the report are the belief that ‘she’ll be right’ (it will work out somehow), a reluctance to give and receive feedback (which hinders learning from success), and a lack of appreciation of the true value of our inventiveness.

Critically, New Zealanders rate leisure pursuits over wealth accumulation. When a business owner has achieved the bach (holiday home), boat, and a nice car, or a similar level of comfort to the peer group, they often stop striving for greater success.

Although New Zealanders are proud of their lifestyle achievements and egalitarian tradition, what are valuable individual traits are not always good for the country’s economy or future.

According to *Playing to our Strengths*, New Zealand needs to earn more through exports, otherwise the enviable standard of living risks ebbing away within a generation.

However, the report concludes that businesses willing to understand and take responsibility for these issues can learn to take the bag, not the money. They can grow their business by putting in place strategies to make the most of their talent, and by building profitable partnerships, capturing more of the value chain, and using specialist expertise to access new markets.

The report is available online (www.nzte.govt.nz).

Source: New Zealand Trade and Enterprise

Image removed due to copyright issues

The Dominion Post

A shopper makes a decision about food. A recent Lincoln University study concluded that specialist food stores are making inroads on supermarket sales, due to lower prices. Of the 629 Christchurch households surveyed, 68 percent bought their fruit and veges from greengrocers’ shops (compared with 15 percent in 1996), and 52 percent bought meat from a butcher’s shop (10 percent in 1996).

Credit cards

Purchases using credit cards rose strongly in value from the late 1990s until around 2002. The increase in using credit cards as a payment method was partly due to the wider acceptance of credit cards in supermarkets and over the Internet, and for services such as doctors and dentists, and power and phone-bill payment. Loyalty schemes introduced in the late 1990s also influenced the rapid growth. However, the rate of growth in borrowing on credit cards slowed from 2002. The annual rate of growth of the amount owed on credit cards turned slightly negative in late 2009 as a result of the recession – that is, credit card users owed less in late 2009 than at the same time in 2008.

Insurance and superannuation

The insurance industry

The insurance industry in New Zealand has a number of characteristics that make international comparison difficult. These include that the government Accident Compensation Corporation scheme supplies all work-cover insurance products; that up to 80 percent of general insurance products are sold by Australian-owned or controlled companies; and that the majority of products sold are short-tail by nature (notified and settled quickly).

The life insurance industry has changed considerably in recent years through demutualisation (mutually held organisations becoming publicly listed), takeovers, and restructuring. Statistics New Zealand's business demography statistics recorded 42 life insurance enterprises at February 2009.

The non-life insurance market was divided among 152 enterprises in 2009 (163 in 2008) – 58 health (62 in 2008) and 94 general (101 in 2008) insurance enterprises. These statistics include life companies that are doing non-life business and have made deposits under the Insurance Companies' Deposits Act 1953. Many of these companies are not active in the New Zealand market.

Some New Zealand insurance business is placed directly offshore. The ability to spread risk through international reinsurance markets has allowed New Zealand insurers to absorb large increases in business.

The number of direct underwriters has been reducing, with amalgamations and withdrawals. This reduction has been accompanied by a fall in the number of reinsurers establishing a place of business in New Zealand. While the overall number of enterprises in the insurance and superannuation industries has generally been decreasing (744 in 2009, 770 in 2008, and 769 in 2007), the number of employees has been increasing (9,590 in 2009, 9,360 in 2008, and 9,300 in 2007).

Government involvement

Some classes of insurance that make a substantial contribution to overseas markets do not feature in New Zealand because of the different legal climate and background. The accident compensation scheme effectively removed many classes of liability insurance. Historically, the government had also been involved in both fire and general, and life insurance – through government-backed

Image removed due to copyright issues

The Dominion Post

A fast and fierce storm hit much of the lower North Island in March 2010, bringing down trees and damaging homes and vehicles – including this one in Lower Hutt. The Earthquake Commission provides natural disaster cover that includes storm damage to a home and surrounding residential land.

life insurance and mutual funds – but in recent years it has withdrawn from these activities. Fire services are funded through a levy on all fire insurance policyholders.

Regulation The Insurance Companies (Ratings and Inspections) Act 1994 requires fire and general insurance companies to obtain, register, and disclose a claims-paying ability rating. The requirement also applies to any non-life business of life insurance companies, such as disability products. Some insurers not providing property or disaster insurance can apply for an exemption. The legislation effectively introduces a form of market regulation that allows consumers to judge the financial strength of their insurers.

The Insurance Companies' Deposits Act 1953 requires any person or company providing insurance in New Zealand to lodge approved securities with a market value of not less than \$500,000 with the public trustee. Insurance companies are also required to provide detailed annual reports and statements of financial condition to the Ministry of Economic Development.

Life and general insurance companies are required to comply with consumer protection legislation, such as the Fair Trading Act 1986 and the Consumer Guarantees Act 1993. Regulation of the New Zealand insurance industry has developed through a combination of loose government supervision and self-regulation. Competition has also been an important factor in regulating all parts of the insurance market.

New legislation is being introduced to regulate the general insurance industry. The Financial Advisers Act 2008 regulates the conduct of financial advisers, including insurance brokers and insurance agents. The Financial Service Providers (Registration and Disputes Resolution) Act 2008 requires all insurers licensed in New Zealand from 2011 to belong to an approved dispute resolution scheme such as the Insurance and Savings Ombudsman. The Insurance (Prudential Regulation) Bill has been introduced. This sets the rules for solvency and governance of insurers.

These new pieces of legislation are being phased in during 2011/12.

Table 24.07

Earthquake Commission claims

Event type	By event type			
	2007		2008	
	Number of claims	Value \$(million)	Number of claims	Value \$(million)
Landslip/storm/flood	1,848	32.1	2,251	40.0
Earthquake	1,522	2.6	6,589	13.7
Hydrothermal	0	0.0	1	0.0
Volcanic	0	0.0	3	0.0

Source: Earthquake Commission

Natural disaster insurance New Zealand is susceptible to damage caused by earthquakes and other geophysical events. The Earthquake and War Damage Commission was established in 1944 to provide a government-guaranteed fund for damage caused by war and earthquakes. The fund was created with premiums collected from fire insurance policyholders. The original Act was replaced by the Earthquake Commission Act 1993, which dropped war damage and non-residential property from the cover.

The Earthquake Commission (EQC) is a Crown entity responsible to the Minister of Finance. The commission provides cover for a single house (up to \$112,500), its contents (up to \$22,500), and the land under and surrounding the house, based on valuation and subject to limits. The cover includes damage caused by earthquake, natural landslip, volcanic eruption, hydrothermal activity, tsunami, residential land in the case of storm or flood, and fire caused by any of these.

The cost of cover is five cents a year for every \$100 value of property insured. The maximum premium for one year is \$67.50.

EQC premium income for the year ending 30 June 2008 was \$85.6 million (\$83.8 million in 2007) and investment income was \$188.3 million (\$46.7 million in 2007).

Loss prevention

Much of New Zealand's effort in loss prevention has traditionally been organised and financed through the insurance industry – in areas such as electrical safety and registration, research into fire prevention and fire safety equipment, and approving passive fire protection and alarm systems.

Other organisations working in loss prevention are:

- the Insurance Council of New Zealand and the Fire Service Commission – active in fire prevention and fire safety education
- BRANZ Ltd – assesses building materials and methods of construction
- the Earthquake Commission – advises how to minimise the potential impact of earthquakes
- the New Zealand Automobile Association and similar organisations – active in preventing motor vehicle accidents

Insurance and Savings Ombudsman

The Insurance and Savings Ombudsman (ISO) provides an independent service for consumers to resolve their dispute with an insurance or savings company. Free to consumers, the service is funded by levies on the service providers who participate in the scheme.

The ISO can investigate complaints relating to personal, domestic, and small business claims. The service must have been provided within New Zealand by a company that participates in the scheme.

The ISO cannot consider complaints that relate to:

- insurance provided for business or commercial purposes, except small business claims
- claims for more than \$200,000, or disability benefits that provide regular payments above \$1,000 a week, unless the insurance or savings company agrees
- claims made by an uninsured third party
- proceedings in another forum, such as a court
- a company's commercial decision making – for example, policy renewals, underwriting practices, conditions imposed on insurance cover, premiums, charges, returns, earning rates, and investment practices.

The ISO will only consider a complaint after the internal complaints procedure of the insurance or savings company has been exhausted. The ISO's approach is inquisitorial, rather than adversarial. Hearings are not held and legal representation is not required.

The ISO may resolve a complaint by preparing an assessment. If there is relevant new evidence or proper grounds on which to make a request, the parties can accept or reject the decision made in the assessment and request a recommendation.

The ISO's ruling is binding on the insurance company, but not on the complainant, who may reject it and take the matter to court or any other authority.

Complaints received

By sector

Year ending 30 June

Sector	2006	2007	2008	2009
Fire and general	109	110	121	142
Health	24	39	48	39
Life and savings	58	52	33	61
Total	191	201	202	242

Complaint outcomes

Year ending 30 June

Complaint outcome	2006	2007	2008	2009
Upheld	25	28	35	33
Partly upheld	5	3	11	10
Withdrawn	0	0	0	2
Not upheld	131	141	108	152
Settled	12	37	37	23
Total	173	209	191	220

Source: Insurance and Savings Ombudsman

- the Accident Compensation Corporation and Department of Labour – promote occupational safety and accident prevention, which has indirectly benefitted the insurance industry.

Most other loss and accident prevention activity is undertaken by the government or by organisations that are wholly or partly publicly funded.

Contributors and related websites

Commerce Commission – www.comcom.govt.nz

Consumer NZ – www.consumer.org.nz

Department of Labour – www.dol.govt.nz

Earthquake Commission – www.eqc.govt.nz

Insurance Council of New Zealand – www.icnz.org.nz

Ministry of Consumer Affairs – www.consumeraffairs.govt.nz

Ministry of Economic Development – www.med.govt.nz

New Zealand Ice Cream Manufacturers Association – www.nzicecream.org.nz

New Zealand Insurance & Savings Ombudsman – www.iombudsman.org.nz

New Zealand Trade and Enterprise – www.nzte.govt.nz

NZX Limited – www.nzx.com

Office of Ethnic Affairs – www.ethnicaffairs.govt.nz

Reserve Bank of New Zealand – www.rbnz.govt.nz

Securities Commission – www.seccom.govt.nz

Statistics New Zealand – www.stats.govt.nz

Takeovers Panel – www.takeovers.govt.nz

Transparency International – www.transparency.org

Television New Zealand – www.tvnz.co.nz

Image removed due to copyright issues

The New Zealand Herald

Mulcher operator Murray Pocock has a machine that removes mangroves from the mudflats of Tauranga Harbour. In early 2010, Environment Bay of Plenty received consent to remove the plants mechanically. New Zealand imported \$5.8 billion of mechanical machinery and equipment in the year ending June 2009.

25 | Overseas trade

Development and administration of trade

New Zealand Trade and Enterprise

New Zealand Trade and Enterprise (NZTE) is the government's national economic development agency. It works to lift New Zealand's economic performance and improve living standards for all New Zealanders by helping businesses to grow and compete internationally.

For New Zealand's economy to grow, more New Zealand businesses need to sell their products and services globally. NZTE's programmes and services focus on taking some of the risk out of doing business internationally, and on building a group of New Zealand businesses willing and able to operate internationally.

NZTE works with businesses to:

- improve their international competitiveness by building capability and expertise
- help grow their international operations through strategic connections and market knowledge
- identify and support development in areas of competitive advantage for New Zealand.

NZTE services The services that NZTE offers target different stages of the business life cycle – from starting and growing a business, through to exporting and becoming international.

Some services are provided directly by NZTE staff in New Zealand and overseas. Others are provided through external organisations – such as regional business development organisations, and expert advisers funded by NZTE.

Services aimed at exporting businesses and those becoming international include programmes to build networks in other countries (eg, the Beachheads programme), improve business performance (eg, Better By Design), and get access to capital and international investment.

Detailed market research, online guides to international markets and industries, insights into overseas opportunities and challenges, and editorial features about NZTE services and successful New Zealand businesses, can be found on the NZTE website (www.nzte.govt.nz). *Export News* updates are emailed out weekly.

Kiwi company negotiates rough business tides in India

New Zealand oceanography services company ASR Ltd is one company that has benefitted from New Zealand Trade and Enterprise (NZTE)'s Beachheads programme.

The company builds artificial reefs that provide the same benefits as natural reefs – a protective barrier for the coastline that helps decrease sand erosion on beaches and creates a new marine habitat.

Although ASR Ltd is a world leader in designing and constructing multi-purpose reefs, timely advice from experienced Indian-based Beachheads advisers helped the company negotiate particular challenges that businesses face in India.

ASR Ltd wanted to bring environmentally-sensitive coastal protection to India's shores, which had been battered by the 2004 Asian tsunami and were exposed to the ravages of the annual monsoon.

The company's first foray into India was at Kovalam Beach in the southern state of Kerala. The government-funded project was an attempt to counter monsoon erosion, with better surf as a bonus. Agreement was reached in March 2008 – a 4,000 cubic metre submerged reef, 200 metres offshore and two metres high.

ASR Ltd deployed its team and equipment to India in January 2009. However, tweaking the design triggered sign-offs that stalled both the project and a payment ASR Ltd was expecting. The monsoon was approaching and the company decided it should pull out.

At this point, ASR Ltd called on the expertise and networks of the advisers within the Beachheads group, in particular the chair of the India Beachhead Advisory Board, Pradip Madhavji. Mr Madhavji was able to coach the company through the delicate situation, and talks with the Indian buyers helped get the project back on track.

As a result, ASR Ltd returned to India to start work again in November 2009, with 60 percent of the bill pre-paid to the company. Other opportunities in India are now in the pipeline for ASR Ltd.

The NZTE Beachheads programme was launched in 2002 to accelerate companies' growth in international markets. It connects companies to a network of advisers who give detailed insight into doing business in specific international markets, and provides advice and contacts to plug companies into the right partners and potential customers. Beachheads advisers are successful private sector executives who are either expatriate New Zealanders or local business people.

Source: New Zealand Trade and Enterprise

A global network NZTE has staff in nine New Zealand offices and 37 offshore. In New Zealand they help build business capability and improve the environment for enterprise and growth. Internationally, they use their knowledge and networks to connect New Zealand businesses with trade and investment opportunities. They undertake customised research for New Zealand companies that are at an advanced stage in their international market development planning, and provide information about New Zealand to potential investors and business partners.

NZTE works closely with the Ministry of Economic Development and Ministry of Foreign Affairs and Trade to develop and deliver economic and trade policy. It works alongside the Foundation for Research, Science and Technology, supporting firms undertaking research and development and commercialisation of intellectual property. NZTE collaborates with business organisations, such as Business New Zealand and economic development agencies, on events and activities that support New Zealand exporters.

Brand New Zealand Promotional activity that NZTE undertakes on behalf of New Zealand business supports the New Zealand brand internationally. The visual identity for marketing the country (the fern mark) is jointly owned by NZTE and Tourism New Zealand, and its values are shared by both organisations. NZTE targets business audiences to build on New Zealand's traditional strengths as a clean, green country while also promoting other characteristics that define New Zealand's people, businesses, and country.

World Customs Organization

The New Zealand Customs Service is a fully participating member of the World Customs Organization (WCO), established (as the Customs Co-operation Council) in 1952. The WCO is an intergovernmental organisation of 176 member countries with headquarters in Brussels. Its mission is to ensure customs administrations are effective and efficient.

To do this the WCO:

- develops and administers international instruments that uniformly apply effective customs procedures – these govern the movement of commodities, people, and goods across customs frontiers
- develops international standards to secure the movement of goods, such as the SAFE Framework of Standards
- assists members in their efforts to modernise, by building their capacity
- encourages cooperation between customs administrations, and between the trading community and customs administrations – to improve communication, notably around trade security and the fight against fraud
- organises private sector training – to deal with technical and operational problems resulting from strategies put in place in response to international customs environment challenges.

Border operations

The New Zealand Customs Service (NZCS) provides protection at the border by managing the import and export of goods, and the movement of international passengers, aircraft, and vessels. It does this alongside customs, immigration, quarantine, and other statutory requirements.

NZCS seeks to ensure a safe and secure border, with minimum intervention to legitimate trade and travel. It achieves this by employing risk management techniques to monitor and assess the level of risk of arriving and departing people, craft, and goods.

Border operations involve checking and clearing passengers and craft at airports and seaports, surveillance and search for prohibited items, and investigation of customs offences and related issues. To support these activities, NZCS collects and processes intelligence on potential breaches of the legislation it enforces.

Overseas trade statistics

Overseas merchandise trade statistics measure the value (in New Zealand dollars) and volume of New Zealand's exports, imports, and overseas cargo. The monthly statistics are based on export and import entries lodged with NZCS. The data is processed by NZCS and passed to Statistics New Zealand for further editing and compilation.

Under the Statistics Act 1975, the government statistician may disclose details of external trade, the movement of ships, and cargo handled at ports. However, Statistics NZ appreciates that release of trade commodity information can, in some cases, place commercially sensitive information in the public domain. This can have detrimental effects on companies that export and/or import goods. In some circumstances, Statistics NZ provides a limited type of confidential status for commodity items – at the discretion of the government statistician.

Exports (including re-exports) are valued 'fob' (free on board), which is the value of goods at New Zealand ports before export. It includes the value added in bringing goods to the port, but excludes international freight and associated insurance. Re-exports are included, unless otherwise specified, while goods for repair are excluded.

Imports, which also exclude goods for repair, are valued 'cif' (cost, including insurance and freight) and 'vfd' (value for duty). The cif value is the market value of goods at the port of unloading. It includes the value added for the cost of international freight and associated insurance. The vfd value is the value assessed for duty. It is a close approximation of the fob value at the overseas port of loading. Unless otherwise stated, all import values quoted in this chapter are cif values.

Balance of merchandise trade

The balance of merchandise trade is an important analytical indicator of New Zealand's overseas trade. It is calculated by deducting the merchandise imports value from the merchandise exports value – both for the same period.

An excess of export values over import values is a surplus, which is treated as a positive number. Conversely, an excess of import values over export values is a deficit, which is treated as a negative number.

In the year ending June 2009, New Zealand's balance of merchandise trade was a deficit of \$3.1 billion, compared with a deficit of \$4.5 billion in the June 2008 year. Table 25.01 provides overseas merchandise trade figures from 2000 to 2009.

Exports

Export values include re-exports, which are goods imported into New Zealand and then exported later without being significantly altered. Typical re-exports are aircraft and heavy machinery.

Exports in the year ending June 2009 totalled \$43.0 billion, a 7.5 percent increase on the June 2008 year, and a 23.2 percent increase on the June 2007 year. Milk powder, butter, and cheese; and meat and edible offal were New Zealand's two major export commodity groups in the June 2009 year, contributing 20.8 percent and 12.8 percent of total exports, respectively.

Table 25.01 lists major commodities exported over the five years to 2009. The groupings in this table match those published monthly by Statistics NZ. Further detail on some commodity groups is provided in the sections that follow (some groups are aggregated).

Table 25.01

Commodity group	Major export commodities ⁽¹⁾				
	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
Milk powder, butter, and cheese	4,924	5,762	6,454	8,758	8,970
Meat and edible offal	4,577	4,500	4,609	4,681	5,526
Logs, wood, and wood articles	1,984	1,960	2,203	1,999	2,330
Crude oil	389	513	475	2,541	1,964
Mechanical machinery and equipment	1,628	1,791	1,879	1,906	1,842
Fruit	1,212	1,161	1,227	1,376	1,611
Fish, crustaceans, and molluscs	1,134	1,146	1,153	1,126	1,302
Aluminium and aluminium articles	1,053	1,261	1,564	1,459	1,102
Electrical machinery and equipment	1,004	1,045	1,105	1,023	1,065
Casein and caseinates	651	660	818	883	1,055
Preparations of cereals, flour, and starch	388	529	554	713	998
Wine	435	512	698	797	990
Iron and steel and articles ⁽²⁾	761	747	887	966	976
Precious metals, jewellery, and coins	357	381	396	507	764
Optical, medical, and measuring equipment	384	394	498	538	697
Miscellaneous edible preparations	564	634	700	634	656
Wood pulp and waste paper	512	509	663	670	627
Textiles and textile articles ⁽²⁾	645	657	682	698	611
Wool	666	689	655	613	570
Paper and paperboard and articles ⁽²⁾	640	443	508	527	561
Other commodities ⁽²⁾	6,711	6,884	7,031	7,088	7,558
Confidential data ⁽³⁾	0	252	174	523	1,254
Total	30,618	32,430	34,934	40,028	43,028

(1) Exports valued free on board at New Zealand ports. (2) Export values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.02

Year	Overseas merchandise trade ⁽¹⁾		
	Year ending 30 June		
	Exports (fob)	Imports (cif)	Trade balance (fob - cif)
	\$(million)		
2000	26,111	29,193	-3,082
2001	32,000	31,927	73
2002	32,332	31,811	521
2003	29,291	32,161	-2,869
2004	29,864	33,378	-3,514
2005	30,618	35,793	-5,175
2006	32,430	39,040	-6,609
2007	34,934	41,165	-6,231
2008	40,028	44,507	-4,478
2009	43,028	46,139	-3,110

(1) Exports valued fob (free on board) at New Zealand ports. Imports valued cif (cost including insurance and freight).

Note: Figures may not equate to stated balances due to rounding.

Source: Statistics New Zealand

Dairy product exports

The export value of all dairy products in the year ending June 2009 was \$10.0 billion, up 4.0 percent on the previous June year and 37.9 percent higher than for the year ending June 2007. Dairy produce made up 23.3 percent of New Zealand's total merchandise trade export value in the year ending June 2009. The main dairy products exported were milk powder (\$4.6 billion), butter (\$1.7 billion), cheese (\$1.6 billion), and casein and caseinates (\$1.1 billion).

The United States is the most significant destination for New Zealand's casein and caseinates exports – receiving 47.7 percent of the total exported in the June 2009 year. It is the overall largest dairy product (milk powder, butter, and cheese; and casein and caseinates) export market.

China is an increasingly important destination for New Zealand dairy exports, in particular milk powder, butter, and cheese. In the year ending June 2009, China received \$816 million of milk powder, butter, and cheese exports. In 2008 China overtook the United States as the largest export market for these products.

Table 25.03 lists the main dairy products exported over the five years to 2009, while table 25.04 shows New Zealand's main dairy export markets over the same period.

Table 25.03

Dairy product exports ⁽¹⁾					
Year ending 30 June					
Product	2005	2006	2007	2008	2009
	\$(million)				
Milk powder	2,482	2,944	3,317	4,814	4,623
Butter and dairy spread	858	1,032	1,063	1,526	1,693
Cheese and curd	1,052	1,147	1,232	1,443	1,612
Casein and caseinates	651	660	818	883	1,055
Whey and other products	349	437	598	646	715
Buttermilk, curdled milk, yoghurt, etc	101	123	158	208	169
Milk and cream	82	79	86	120	158
Total	5,575	6,421	7,272	9,640	10,025
Percentage of all exports	18.2	19.8	20.8	24.1	23.3

(1) Exports valued free on board at New Zealand ports.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Image removed due to copyright issues

Otago Daily Times

Fonterra staff inspect stacks of milk powder in a new dry store at Mosgiel near Dunedin in early 2010. New Zealand's largest company may turn its dry and cool storage hub into an inland port – using rail. The dairy exporter would benefit from having imported containers arrive onsite for emptying, then being refilled with dairy products for export.

Table 25.04

Dairy product exports ⁽¹⁾					
By destination					
Year ending 30 June					
Destination	2005	2006	2007	2008	2009
	\$(million)				
United States	691	715	842	775	1,183
People's Republic of China	296	396	351	426	843
Japan	363	379	423	527	592
Indonesia	199	223	291	406	492
Philippines	369	310	428	560	476
Malaysia	212	211	275	468	465
Venezuela	104	151	244	618	423
Australia	259	299	307	434	412
Saudi Arabia	300	304	305	519	382
Algeria	100	153	191	269	343
Singapore	129	143	178	252	280
Thailand	155	171	246	281	277
Mexico	254	289	339	497	275
Sri Lanka	162	189	193	291	259
Iran	41	81	94	125	227
Egypt	74	114	166	165	212
Taiwan	184	174	187	188	209
United Arab Emirates	80	110	106	100	200
Belgium	166	189	176	210	185
Russia	77	95	90	104	136
Other countries	1,359	1,725	1,841	2,425	2,156
Total	5,575	6,421	7,272	9,640	10,025

(1) Exports valued free on board at New Zealand ports.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Meat and edible offal exports

The export value of all meat and edible offal in the year ending June 2009 was \$5.5 billion, up 18.1 percent on the previous June year and 19.9 percent higher than in 2007. Meat and edible offal made up 12.8 percent of the total merchandise trade export value in the year ending June 2009. The main products exported were sheep (\$3.0 billion), beef (\$2.0 billion), venison (\$300 million), and offal (\$181 million).

The United States (\$1.1 billion) and the United Kingdom (\$815 million) remained the two largest export markets in the June 2009 year, with meat and edible offal exports to both up almost 30 percent compared with the June 2008 year.

Table 25.05 lists the main meat and edible offal commodities exported over the five years to 2009, while table 25.06 (overleaf) shows New Zealand's main export markets for the same products.

Table 25.05

Meat and edible offal exports ⁽¹⁾					
Year ending 30 June					
Product	2005	2006	2007	2008	2009
	\$(million)				
Sheep	2,305	2,279	2,439	2,533	3,015
Beef	1,801	1,786	1,710	1,658	2,005
Venison	206	225	258	297	300
Offal	240	183	168	166	181
Poultry	9	9	8	10	12
Goat	5	7	6	6	6
Other	11	11	20	11	7
Total	4,577	4,500	4,609	4,681	5,526
Percentage of all exports	14.9	13.9	13.2	11.7	12.8

(1) Exports valued free on board at New Zealand ports.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Businesses acknowledged for trade

In 2009, New Zealand Trade and Enterprise (NZTE) launched the New Zealand International Business Awards. "Despite the tough economic environment, there are inspirational business stories to be told," said Tim Gibson, former chief executive of NZTE.

The 2009 winners were:

Beca – Judges' Supreme Award, and best business operating internationally (over \$50 million). Founded 90 years ago, Beca has grown from a three-person engineering practice to having 2,500 employees in 20 offices around the world. The international market supplies 40 percent of the company's turnover. Clients include government departments and private individuals, and Beca has also developed partnerships and joint ventures.

Pitango Innovative Cuisine Ltd – Best business operating internationally (under \$10 million). Pitango operates in the chilled segment of the ready-to-eat market, creating and manufacturing organic and healthy food products. The company exports its entire range of soups, risottos, curries, and pastas – it had 33 percent sales growth in the year ending June 2009.

Emerald Foods Ltd – Best business operating internationally (\$10–50 million). Emerald Foods manufactures premium ice cream, sorbet, and frozen yoghurt under proprietary brands but also for international clients. From having nine markets in 2006, Emerald now exports to 29 markets, including the United States, India, Saudi Arabia, and Fiji. Emerald also owns an ice cream parlour franchise which operates in 21 markets with 650 outlets.

Banklink – Most innovative approach to international business. BankLink provides systems and software for accountants who service small businesses. The system collects transaction data electronically from financial institutions and supplies it to accountants, who then use Banklink software to prepare reports for clients. Founded in 1986, the company expanded to Australia in 1993, and now earns more than \$20 million annually.

Modec Industries Ltd – Best use of design in international business. Modec is an engineering and manufacturing firm that designs and manufactures modular monitor arms used to mount screens in retail, office, and medical environments around the world. Their 'lego' approach means the original template can, with little physical change, evolve as technology evolves.

Gallagher Group Ltd – Best commercialisation of intellectual property in international business. Building from Bill Gallagher's success with the electric fence in 1969, the company continues to deliver innovative technological solutions to over 130 countries. The group employs 1,000 people around the world, including 90 in research and development, and has more than 160 patents that it monitors carefully.

Triodent Ltd – Best use of research and development in international business, supported by TechNZ. Triodent develops simple solutions to common dental procedure problems, then creates, manufactures, and sells low-cost, high-margin consumables – all from the Bay of Plenty, but to markets throughout the western world and the Middle East. Triodent sells directly, over the Internet, or through distributors, with a strong focus on customer support.

Source: New Zealand Trade and Enterprise

Table 25.06

Meat and edible offal exports ⁽¹⁾					
Destination	By destination				
	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
United States	1,048	1,069	1,026	880	1,141
United Kingdom	557	594	645	629	815
Germany	421	386	423	477	485
France	249	209	239	263	325
Japan	409	370	294	254	303
Canada	211	183	175	182	250
Belgium	189	210	197	224	234
Taiwan	193	206	181	157	177
Republic of Korea	233	225	251	210	154
People's Republic of China	45	54	59	82	140
Netherlands	69	71	94	95	115
Indonesia	57	74	87	115	112
Hong Kong (SAR)	42	54	47	62	101
Saudi Arabia	55	48	77	87	100
Italy	51	58	55	73	85
Switzerland	56	51	59	61	76
Mexico	76	66	63	55	55
Singapore	26	28	33	43	51
French Polynesia	50	45	43	44	51
Spain	30	28	28	39	50
Other countries	513	471	536	649	707
Total	4,577	4,500	4,609	4,681	5,526

(1) Exports valued free on board at New Zealand ports.

Note: SAR special administrative region. Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Forest products exports

The export value of all forest products in the year ending June 2009 was \$3.5 billion, up 10.1 percent on the June 2008 year and 4.3 percent higher than for 2007. Forest products made up 8.2 percent of New Zealand's total merchandise trade export value in the year ending June 2009. The main exports were rough wood, at \$858 million, sawn wood at \$733 million, and wood pulp at \$627 million.

Australia (at \$744 million) remained the main forest products export market in the June 2009 year, accounting for 21.1 percent of exports. The People's Republic of China (at \$739 million) is an increasingly important destination for forest product exports, accounting for 21.0 percent of exports in the June 2009 year.

Table 25.07 lists the main forest products exported over the five years to 2009, while table 25.08 shows New Zealand's main export markets for forest products.

Table 25.07

Forest product exports ⁽¹⁾					
Product	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
Wood (rough)	396	476	681	557	858
Wood (sawn)	781	746	784	717	733
Wood pulp	512	509	663	670	627
Paper and paperboard ⁽²⁾	640	443	508	527	561
Board (fibre, veneer, plywood)	570	483	446	426	474
Other	236	254	292	299	265
Total	3,136	2,913	3,374	3,196	3,518
Percentage of all exports	10.2	9.0	9.7	8.0	8.2

(1) Exports valued free on board at New Zealand ports. (2) Export values exclude confidential data.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.08

Forest product exports ⁽¹⁾⁽²⁾					
By destination					
Year ending 30 June					
Destination	2005	2006	2007	2008	2009
	\$ (million)				
Australia	858	641	733	794	744
People's Republic of China	322	345	512	448	739
Japan	610	511	510	479	497
Republic of Korea	300	345	463	368	403
United States	440	395	346	313	238
Indonesia	75	113	111	110	141
Philippines	109	89	88	69	91
India	33	55	65	78	83
Viet Nam	36	46	73	68	81
Taiwan	64	67	87	69	75
Saudi Arabia	8	19	30	38	51
United Arab Emirates	17	18	40	41	51
Thailand	35	38	49	59	50
Malaysia	35	37	52	44	49
Hong Kong (SAR)	34	31	19	27	33
Fiji	28	27	27	30	20
New Caledonia	14	12	12	12	15
Singapore	10	11	15	8	14
South Africa	1	5	4	7	14
Pakistan	4	6	7	10	13
Other countries	106	103	134	124	118
Total	3,136	2,913	3,374	3,196	3,518

(1) Exports valued free on board at New Zealand ports. (2) Export values exclude confidential data.

Note: SAR special administrative region. Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Mechanical and electrical machinery exports

The export value of all mechanical and electrical machinery in the year ending June 2009 was \$2.9 billion, down 0.8 percent on the June 2008 year and 2.6 percent lower than the year ending June 2007. Mechanical and electrical machinery exports were 6.8 percent of New Zealand's total merchandise trade export value in the year ending June 2009.

In the year ending June 2009, the largest group of products exported was telephones and transmission apparatus, followed by refrigerators, freezers, and other refrigeration equipment. However, these two groups account for only 7.3 percent and 4.9 percent of the total, respectively, and many other products are exported in this commodity group.

Table 25.10 (overleaf) shows New Zealand's main mechanical and electrical machinery export markets for the five years to 2009. In the June 2009 year the largest export market for these products was Australia (\$1.2 billion).

Table 25.09

Mechanical and electrical machinery exports ⁽¹⁾					
Year ending 30 June					
Product	2005	2006	2007	2008	2009
	\$ (million)				
Telephones and transmission apparatus	131	146	151	153	212
Refrigerators, freezers, and other refrigeration equipment	142	143	157	160	143
Equipment for washing, filling, sealing, labelling, etc	143	146	149	128	132
Insulated wire, cable, and other electric conductors	72	89	133	102	124
Engines and motors	56	51	69	92	98
Agricultural and harvesting machinery	70	76	69	71	93
Diodes, transistors, and similar semiconductor devices	66	77	102	109	86
Other machinery and mechanical appliances	94	134	85	68	86
Computer parts	77	81	78	73	83
Computers	86	127	138	99	82
Other	1,695	1,767	1,853	1,875	1,768
Total	2,631	2,836	2,984	2,930	2,907
Percentage of all exports	8.6	8.7	8.5	7.3	6.8

(1) Exports valued free on board at New Zealand ports.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Illegal traders are caught

Image removed due to copyright issues

The Press

Gecko, and a tube used by a tourist attempting to smuggle wildlife from New Zealand.

Lizards in your underwear does not sound comfortable, neither for lizards nor for humans, but in late 2009 a German tourist was found guilty of attempting to take 44 endangered geckos and skinks out of New Zealand. He had hidden the wildlife in a package in his underwear.

Two months later another tourist was jailed for his attempt to smuggle 16 protected jewelled geckos found in his backpack.

The illegal traders had been identified by the Wildlife Enforcement Group (WEG), a partnership of the New Zealand Customs Service (Customs), the Ministry of Agriculture and Forestry, and the Department of Conservation, which was set up to investigate wildlife smuggling. WEG works closely with the international police agency Interpol to gather and share intelligence aimed at limiting the illegal trade in endangered wildlife.

"Wildlife smuggling is a global, multi-billion dollar business and second only to the global drug trade," Mark Day of Customs said. Geckos are one of the most valuable species for smugglers; they can be sold for thousands of dollars in Europe.

Customs also intercepted illegal products entering New Zealand in late 2009 – counterfeit Rugby World Cup 2011 (RWC 2011) t-shirts. These t-shirts infringe the event's trademark, and were likely to be an inferior product that would be bought by unsuspecting consumers.

"The sport relies on revenue generated by the sale of official merchandise and the greed of counterfeiters significantly undermines this," Ross Young, general manager of RWC 2011 said. "It is good to see the rights protection programme working effectively with the discovery and detention of these goods."

Customs is one agency tasked with protecting the official RWC 2011 brand. All official licensed products have unique identifiers that help Customs distinguish the genuine from the fake products.

Source: New Zealand Customs Service

Table 25.10

Mechanical and electrical machinery exports⁽¹⁾

Destination	By destination Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
Australia	1,063	1,135	1,234	1,213	1,201
United States	515	568	528	432	389
United Kingdom	149	136	134	130	133
Singapore	75	65	78	76	90
People's Republic of China	50	60	77	88	80
Thailand	20	21	23	52	61
Fiji	60	74	78	54	60
Hong Kong (SAR)	35	36	43	46	58
South Africa	34	38	33	43	53
United Arab Emirates	16	18	18	23	40
Germany	31	37	44	40	40
India	14	21	30	31	40
Canada	67	82	52	42	39
Taiwan	29	42	44	44	30
Netherlands	20	30	29	33	30
Japan	50	51	61	44	29
France	26	30	32	25	28
Brazil	8	10	13	26	27
Malaysia	26	30	32	27	25
Iran	11	4	5	3	25
Other countries	331	349	400	459	430
Total	2,631	2,836	2,984	2,930	2,907

(1) Exports valued free on board at New Zealand ports.

Note: SAR special administrative region. Figures may not add to stated totals due to rounding.**Source:** Statistics New Zealand

Image removed due to copyright issues

Otago Daily Times

Chilean worker Ursula Pineda holds some of the pre-Christmas cherry crop from Central Otago. In the year ending June 2009, \$57 million of berries and cherries was exported from New Zealand.

Fruit, nut, and vegetable exports

The value of all fruit, nut, and vegetable exports in the year ending June 2009 was \$2.0 billion, up 12.8 percent on the previous June year and 22.7 percent higher than for 2007. Fruit, nut, and vegetable exports were 4.7 percent of the total merchandise trade export value in the year ending June 2009.

Kiwifruit (\$1.1 billion) and apples (\$396 million) remained the two largest export products from this group in the June 2009 year.

The main fruit, nut, and vegetable export markets were Japan (\$405 million), and 'destination unknown - European Union (EU)' (\$363 million). The second figure is large because much of the fruit exported to the EU is known to be sold on from the original destination point. Therefore, at the time of export, the final country of destination within the EU is unknown. In the June 2009 year, all exports to this destination were fruit (kiwifruit was 87.4 percent of this total).

Table 25.11 lists the main fruit, nut, and vegetable products exported over the five years to 2009, while table 25.12 shows the main export markets.

Table 25.11

Fruit, nut, and vegetable exports⁽¹⁾

Product	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
Kiwifruit	722	702	767	872	1,073
Apples	387	330	343	345	396
Legumes	62	75	76	92	94
Onions, garlic, leeks, etc	63	79	122	95	79
Squash and gourds	72	56	66	70	69
Berries and cherries	40	39	42	55	57
Corn	44	47	39	46	46
Avocados	29	54	29	59	38
Capsicum	26	29	34	31	36
Potatoes, carrots, root vegetables	19	19	21	28	27
Other vegetables	65	73	68	61	66
Other fruit	34	37	47	46	48
Total	1,563	1,540	1,653	1,799	2,029
Percentage of all exports	5.1	4.7	4.7	4.5	4.7

(1) Exports valued free on board at New Zealand ports.

Note: Figures may not add to stated totals due to rounding.**Source:** Statistics New Zealand

Table 25.12

Fruit, nut, and vegetable exports ⁽¹⁾					
By destination					
Year ending 30 June					
Destination	2005	2006	2007	2008	2009
	\$(million)				
Japan	418	343	357	351	405
Destination unknown – EU ⁽²⁾	240	245	247	308	363
Australia	144	193	174	214	178
Spain	81	58	73	98	130
United States	82	99	123	115	127
Taiwan	72	82	79	83	107
Republic of Korea	69	76	94	83	90
United Kingdom	120	111	124	110	85
Netherlands	95	66	75	62	84
Hong Kong (SAR)	25	31	39	40	57
People's Republic of China	10	19	20	26	55
Italy	32	24	29	39	44
Malaysia	18	18	24	26	34
Singapore	14	16	16	19	26
Germany	34	29	23	30	24
Thailand	4	8	10	18	22
Fiji	17	18	22	24	21
United Arab Emirates	5	7	9	13	16
France	10	8	10	12	14
Canada	7	9	10	10	13
Other countries	66	79	95	120	133
Total	1,563	1,540	1,653	1,799	2,029

(1) Exports valued free on board at New Zealand ports. (2) Final destination point in EU is unknown at time of export.

Note: EU European Union, SAR special administrative region. Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Fish, crustacean, and mollusc exports

The value of all fish, crustacean, and mollusc exports in the year ending June 2009 was \$1.4 billion, up 14.4 percent on the previous June year and 10.7 percent higher than for the June 2007 year. Fish, crustaceans, and molluscs made up 3.3 percent of New Zealand's total merchandise trade export value in the June 2009 year.

The main exports were frozen fish (\$388 million), molluscs and aquatic invertebrates (\$342 million), and fish fillets and other fish meats (\$234 million).

The largest export markets in the June 2009 year were Australia (\$265 million) and Hong Kong (\$244 million). Table 25.13 lists the main fish, crustacean, and mollusc exports over the five years to 2009, while table 25.14 (overleaf) shows New Zealand's main markets for the same products.

Table 25.13

Fish, crustacean, and mollusc exports ⁽¹⁾					
Year ending 30 June					
Product	2005	2006	2007	2008	2009
	\$(million)				
Frozen fish	283	315	345	346	388
Molluscs and aquatic invertebrates	340	327	290	274	342
Fish fillets and other fish meat	301	274	262	239	234
Crustaceans	126	141	153	158	213
Fresh or chilled fish	75	81	93	98	112
Fish, dried, salted or smoked; edible fish meal	7	6	7	9	11
Live fish	2	2	2	2	2
Subtotal	1,134	1,146	1,153	1,126	1,302
Extracts and preparations					
Prepared or preserved fish, including fish eggs	32	31	48	44	60
Prepared or preserved molluscs and crustaceans	60	64	70	60	45
Fish or crustacean extracts and juices	4	3	3	2	4
Subtotal	95	97	121	106	108
Total	1,230	1,243	1,274	1,232	1,410
Percentage of all exports	4.0	3.8	3.6	3.1	3.3

(1) Exports valued free on board at New Zealand ports.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Diversity of trade

When thinking of trade and New Zealand, what comes to mind is sheepmeat, dairy products, and wine leaving the country, and cars, electronics, and petrol coming in.

But there's so much more going in and out of the country.

Every six months, Statistics New Zealand and the Ministry of Foreign Affairs and Trade publish *Global New Zealand*, a profile listing countries and regions New Zealand trades with and commodities traded.

For the year ending June 2009, imports included:

- \$210 million of new rubber tyres from APEC economies
- \$216 million of insecticides from OECD countries
- \$67 million in pet food from NAFTA countries
- \$62 million of books from the EU
- \$46 million of caviar from ASEAN countries
- \$9 million of aluminium wire from GCC countries
- \$6 million of bread, pastry, and cakes from PIF countries (excludes Australia).

Exports included:

- \$624 million of gold to APEC economies
- \$252 million of molluscs to OECD countries
- \$77 million of seeds for sowing to the EU
- \$77 million of scrap metals to ASEAN countries
- \$62 million in aircraft to NAFTA countries
- \$11 million of potatoes to PIF countries (excludes Australia)
- \$7 million of frozen vegetables to GCC countries.

New Zealand also exported \$82 million of live horses to Australia and received \$128 million of chocolate. Over \$308 million of malt extract went to China, while \$105 million of t-shirts and \$65 million of knitted garments came in from China. New Zealand sent \$47 million of dishwashing machines to the United States and imported \$339 million of turbo jets. Japan took \$57 million of sauces, and sent \$85 million of paper and paperboard.

Other imports included: tractors and stone from the United Kingdom (UK), pasta from Indonesia, bicycles from Taiwan, spectacles from Italy, diamonds and ink from India, ethers from Saudi Arabia, X-ray apparatus from the Netherlands, spices from Egypt, nuts from the Philippines, and beer from Mexico.

Other exports included: computers to Fiji, chocolate to the Philippines, onions and hormones to Belgium, telephone equipment to South Africa, plant bulbs to the Netherlands, offal to Hong Kong, pumps to India, heaters to Italy and washing machines to Thailand, sugar to New Caledonia, raw sheepskins to France, animal vaccines to Morocco, yachts and pleasure boats to the UK, and paper towels to Australia.

Note: APEC Asia-Pacific Economic Cooperation, ASEAN Association of Southeast Asian Nations; EU European Union; NAFTA North American Free Trade Agreement; GCC Gulf Cooperation Council; OECD Organisation for Economic Co-operation and Development; PIF Pacific Islands Forum.

Source: Statistics New Zealand

Table 25.14

Fish, crustacean, and mollusc exports ⁽¹⁾⁽²⁾					
By destination					
Year ending 30 June					
Destination	2005	2006	2007	2008	2009
	\$ (million)				
Australia	184	193	235	242	265
Hong Kong (SAR)	138	150	172	182	244
United States	208	206	184	163	177
Japan	158	131	133	118	140
People's Republic of China	109	96	93	104	139
Spain	88	77	85	85	62
Republic of Korea	37	66	49	29	40
Germany	41	42	35	26	33
Singapore	27	24	27	24	29
France	25	31	26	24	28
United Kingdom	20	16	17	16	16
Thailand	11	10	11	13	16
Canada	13	13	12	10	16
Russia	9	16	12	19	14
Italy	17	18	11	11	14
Greece	21	14	11	10	13
South Africa	7	10	18	22	13
Ukraine	1	3	9	12	12
Georgia	3	7	10	6	9
Taiwan	19	16	10	6	8
Other countries	94	104	113	110	121
Total	1,230	1,243	1,274	1,232	1,410

(1) Exports valued free on board at New Zealand ports. (2) Includes extracts and preparations of fish, crustaceans, and molluscs. **Note:** SAR special administrative region. Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Imports

Imports are valued in New Zealand dollars. Foreign currency values are converted to New Zealand dollars when import documents are processed by the New Zealand Customs Service, which sets exchange rates each fortnight.

Imports for the year ending June 2009 were valued at \$46.1 billion, an increase of 3.7 percent on the previous June year. As table 25.15 shows, the largest import values were for petroleum and products (\$7.3 billion of imports), mechanical machinery and equipment (\$5.8 billion), and electrical machinery and equipment (\$4.3 billion).

The groupings in this table match those published monthly by Statistics NZ. Further detail on some commodity groups is provided in the following sections (some groups have been aggregated).

Table 25.15

Major import commodities ⁽¹⁾					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$ (million)				
Petroleum and products	4,019	5,240	5,785	7,079	7,258
Mechanical machinery and equipment	4,906	5,150	5,230	5,885	5,771
Electrical machinery and equipment ⁽²⁾	3,223	3,340	3,695	3,780	4,327
Vehicles, parts, and accessories	5,463	5,006	4,854	5,328	3,958
Textiles and textile articles	1,652	1,768	1,877	1,895	2,044
Plastic and plastic articles	1,382	1,432	1,567	1,593	1,670
Iron and steel and articles ⁽²⁾	1,335	1,291	1,518	1,537	1,600
Optical, medical, and measuring equipment	1,094	1,159	1,177	1,194	1,404
Aircraft and parts	705	1,889	1,186	789	1,382
Pharmaceutical products	875	965	989	1,048	1,185
Paper and paperboard and articles	942	972	988	1,004	1,029
Fertilisers	450	341	423	505	826
Furniture, furnishings, and light fittings	505	565	600	637	611
Salt, earths, stone, lime, and cement	252	190	201	387	571
Food residues, wastes, and fodder	147	185	202	484	562
Inorganic chemicals ⁽²⁾	438	494	577	548	545
Rubber and rubber articles	432	439	471	501	543
Miscellaneous edible preparations	383	420	459	480	541
Other chemical products	382	436	463	456	529
Toys, games, and sports requisites	353	406	401	443	488
Other commodities ⁽²⁾	6,781	7,260	8,398	8,785	8,958
Confidential data ⁽³⁾	75	90	103	147	338
Total	35,793	39,040	41,165	44,507	46,139

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Image removed due to copyright issues

The Dominion Post

Eugene Dadi was perhaps one of New Zealand's more unusual imports when he joined the Phoenix football team in January 2010. The former Ivory Coast striker became a favourite when he scored two goals in the first match he played for the Phoenix.

Mechanical and electrical machinery imports

The value of all mechanical and electrical machinery imports in the year ending June 2009 was \$10.1 billion, up 4.5 percent on the previous June year and 13.1 percent higher than for 2007. Mechanical and electrical machinery imports made up 21.9 percent of New Zealand's total merchandise trade imports value in the year ending June 2009.

The main mechanical and electrical machinery imports were telephones and transmission apparatus (\$1.2 billion), computers (\$992 million), and monitors and projectors (\$486 million).

The main sources of mechanical and electrical machinery imports in the June 2009 year were the People's Republic of China (22.9 percent or \$2.3 billion), the United States (14.1 percent or \$1.4 billion), and Australia (9.3 percent or \$941 million).

Table 25.16 details New Zealand's main mechanical and electrical machinery imports over the five years to 2009, while table 25.17 (overleaf) shows the main sources of these products.

Table 25.16

Mechanical and electrical machinery imports ⁽¹⁾					
Year ending 30 June					
Product	2005	2006	2007	2008	2009
	\$(million)				
Telephones and transmission apparatus	874	874	953	930	1,153
Computers	1,069	1,182	1,081	1,002	992
Monitors and projectors	247	296	343	530	486
Printing machinery	122	99	222	388	362
Computer parts	416	436	382	314	313
Discs, tapes, records, and other storage media	297	289	295	312	297
Power generators	72	33	117	51	229
Electric transformers	111	132	149	147	228
Taps, cocks, valves, etc	148	156	174	185	215
Turbines	104	153	117	111	196
Other ⁽²⁾	4,669	4,838	5,093	5,693	5,626
Total	8,129	8,491	8,926	9,664	10,098
Percentage of all imports	22.7	21.7	21.7	21.7	21.9

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.17

Mechanical and electrical machinery imports ⁽¹⁾⁽²⁾					
Country	By country of origin				
	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
People's Republic of China	1,164	1,518	1,846	2,071	2,314
United States	1,133	1,135	1,103	1,142	1,425
Australia	956	938	921	984	941
Japan	958	1,049	859	936	848
Germany	536	519	583	542	674
Malaysia	345	359	415	787	510
Republic of Korea	345	309	318	281	338
Italy	317	307	304	363	330
Denmark	93	59	196	76	319
Thailand	159	195	222	262	271
United Kingdom	248	262	241	227	230
Singapore	281	302	316	231	215
France	153	172	184	165	192
Taiwan	272	284	262	269	182
Sweden	122	119	132	137	121
Canada	103	118	110	121	106
Indonesia	54	70	78	94	101
Mexico	65	61	60	80	100
Hong Kong (SAR)	76	91	100	105	86
Republic of Ireland	50	64	47	44	73
Other countries	699	561	629	751	721
Total	8,129	8,491	8,926	9,664	10,098

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data.

Note: SAR special administrative region. Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Mineral fuel imports

The import value of all mineral fuels in the year ending June 2009 was \$7.3 billion, up 3.2 percent on the June 2008 year and 25.3 percent higher than for the year ending June 2007. Mineral fuels were 15.9 percent of the total merchandise trade import value in the year ending June 2009.

The two main types of mineral fuel imported were crude oil (\$3.8 billion), which was over half the total mineral fuel imports; and diesel (\$1.0 billion).

Singapore and Qatar were New Zealand's two main sources of mineral fuel imports in the June 2009 year (\$1.3 billion each).

Table 25.18 shows the main types of mineral fuels imported into New Zealand from 2005 to 2009, and table 25.19 examines the main sources of these imports.

Table 25.18

Mineral fuel imports ⁽¹⁾					
Product	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
Crude oil	2,080	2,876	2,980	3,650	3,816
Diesel	484	571	802	850	1,037
Regular petrol (fully refined)	425	473	723	826	747
Partly refined petroleum	347	339	355	613	474
Jet fuel and aviation spirit	207	267	234	299	315
Premium petrol (fully refined)	156	296	253	349	232
Coal, coke, tar, etc ⁽²⁾	164	142	122	96	173
Lubricating preparations	76	91	109	121	142
Ethanol and petrol blends	0	0	0	0	50
Premium petrol (partly refined)	97	118	106	123	30
Other petroleum oils	74	118	80	54	158
Other	39	43	102	138	174
Total	4,149	5,335	5,865	7,120	7,347
Percentage of all imports	11.6	13.7	14.2	16	15.9

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.19

Mineral fuel imports ⁽¹⁾⁽²⁾					
By country of origin					
Year ending 30 June					
Country	\$ (million)				
	2005	2006	2007	2008	2009
Singapore	609	1,061	1,098	1,360	1,306
Qatar	101	228	526	804	1,253
Australia	1,267	833	1,408	1,224	838
Japan	2	258	252	411	628
Indonesia	177	219	324	366	608
United Arab Emirates	363	454	508	802	542
Brunei Darussalam	160	330	250	495	386
Republic of Korea	114	135	316	92	348
Malaysia	74	526	115	519	246
Taiwan	246	64	124	219	218
Other countries	1,036	1,227	943	828	976
Total	4,149	5,335	5,865	7,120	7,347

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Passenger vehicle imports

The value of all passenger vehicles imported in the year ending June 2009 was \$2.1 billion, down 32.6 percent on the June 2008 year and 30.0 percent lower than the year ending June 2007. Passenger vehicle imports made up 4.7 percent of New Zealand's total merchandise trade imports value in the year ending June 2009. Japan was by far New Zealand's main source of imported passenger vehicles, supplying 48.3 percent by value, and 63.5 percent by number, during the June 2009 year. Germany and Australia are the second- and third-largest countries of origin.

Table 25.20

Passenger vehicle imports ⁽¹⁾										
By country of origin										
Year ending 30 June										
Country	Value \$(million)					Quantity				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
Japan	1,656	1,489	1,384	1,499	1,038	177,818	153,712	132,591	131,687	81,336
Germany	434	405	462	503	294	16,968	17,415	20,763	22,121	11,171
Australia	628	498	466	446	272	20,233	16,708	14,195	14,011	8,752
Republic of Korea	93	164	203	165	185	7,172	9,112	10,621	9,807	8,747
United States	129	121	141	167	111	9,403	9,263	9,525	11,917	7,629
United Kingdom	151	131	114	115	57	5,616	4,421	2,987	3,048	1,477
Belgium	58	47	51	47	43	2,736	2,166	2,271	1,999	1,608
France	58	51	52	41	34	2,550	2,490	2,495	2,193	1,404
Italy	25	26	33	33	26	727	721	958	907	655
South Africa	59	74	38	29	19	1,669	2,485	1,063	805	600
Other countries	124	109	125	146	70	9,636	7,600	9,071	8,859	4,792
Total	3,416	3,115	3,068	3,191	2,149	254,528	226,093	206,540	207,354	128,171

(1) Imports valued cif (cost including insurance and freight).

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Image removed due to copyright issues

New Zealand technology on show at trade fair

For the fifth consecutive year, some of New Zealand's best and brightest ICT companies went to Germany in March 2009 for CeBIT – the world's largest technology trade show.

Ten New Zealand companies that produce interactive multimedia technologies, space-saving miniature server rooms, and voice recognition and business intelligence software showcased their latest solutions at the New Zealand Trade and Enterprise (NZTE)-coordinated New Zealand pavilion at CeBIT in Hanover.

CeBIT 2009 featured 4,300 exhibitors from 69 countries in 25 halls. Hundreds of thousands of visitors attended.

The annual trade show features everything and anything to do with technology. It provides an important opportunity for New Zealand companies to showcase their products and services to an audience actively looking for new products, services, and business partnerships.

NZTE provided the backdrop for the 10 companies exhibiting, and a venue for business meetings. The pavilion featured interactive touch screen displays with detailed information about the companies, as well as about New Zealand's wider ICT capabilities. Immigration New Zealand and Air New Zealand also attended the fair.

From 2011, NZTE will focus on working directly with companies to develop connections and promote them in the European market, rather than through CeBIT.

Source: New Zealand Trade and Enterprise

The Press

A Harvard takes part in a mock battle at the Warbirds over Wanaka airshow in Central Otago in April 2010. In the June 2009 year, \$315 million of jet fuel and aviation spirit was imported into New Zealand.

Trading partners

New Zealand has the same top four trading partners for both exports and imports, with Australia being the largest for both. The following sections provide a breakdown of trade with these main four countries – Australia, the United States, the People's Republic of China, and Japan.

Table 25.21

Country	Merchandise exports ⁽¹⁾				
	Main destination countries				
	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
Australia	6,507	6,797	7,201	9,172	9,717
United States	4,295	4,354	4,522	4,017	4,808
Japan	3,446	3,303	3,496	3,359	3,373
People's Republic of China	1,587	1,740	1,876	2,091	3,359
United Kingdom	1,436	1,554	1,681	1,633	1,757
Republic of Korea	1,080	1,160	1,405	1,363	1,282
Indonesia	455	534	652	959	1,065
Germany	793	831	797	849	860
Hong Kong (SAR)	532	544	578	616	823
Malaysia	488	465	583	854	796
Singapore	418	493	514	897	791
Taiwan	688	800	795	742	769
India	198	312	361	361	727
Philippines	543	465	584	713	671
Saudi Arabia	386	395	437	689	582
Thailand	348	384	474	813	573
France	405	348	401	445	554
Belgium	475	585	502	587	526
Netherlands	324	344	432	467	524
Canada	526	546	518	555	515
Other countries	5,689	6,477	7,123	8,848	8,958
Total	30,618	32,430	34,934	40,028	43,028

(1) Exports valued free on board at New Zealand ports.

Note: SAR special administrative region. Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.22

Country	Merchandise imports ⁽¹⁾				
	Main countries of origin				
	Year ending 30 June				
	2005	2006	2007	2008	2009
	\$(million)				
Australia	7,933	7,600	8,664	8,673	8,106
People's Republic of China	3,673	4,443	5,274	5,824	6,658
United States	3,641	4,755	4,295	4,128	4,646
Japan	3,924	3,994	3,688	4,046	3,621
Germany	1,848	1,765	1,898	1,984	1,983
Singapore	1,120	1,602	1,928	2,254	1,861
Republic of Korea	1,018	1,068	1,310	1,064	1,483
France	927	1,013	680	703	1,393
Qatar	154	241	556	861	1,348
Malaysia	740	1,276	948	1,844	1,337
Thailand	819	1,007	1,050	1,240	1,181
Indonesia	529	576	737	823	1,127
United Kingdom	1,190	1,164	1,106	1,071	1,005
Italy	877	824	881	983	897
Taiwan	876	721	835	917	873
Canada	447	581	675	646	704
United Arab Emirates	402	512	568	886	630
Denmark	190	169	318	221	462
Saudi Arabia	313	491	601	441	435
Morocco	129	126	169	281	404
Other countries	5,041	5,112	4,986	5,615	5,985
Total	35,793	39,040	41,165	44,507	46,139

(1) Imports valued cif (cost including insurance and freight).

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Australia

Australia is New Zealand's main trading partner, receiving 22.6 percent (by value) of New Zealand's merchandise exports, and supplying 17.6 percent of merchandise imports in the year ending June 2009. The value of exports to Australia was up 5.9 percent in the year ending June 2009, while imports were down 6.5 percent from 2008. In the June 2009 year, New Zealand's trade balance with Australia was a surplus of \$1.6 billion, compared with a surplus of \$499 million in the June 2008 year.

Image removed due to copyright issues

The Nelson Mail

Pic Picot loads peanuts imported from Australia into his roaster in preparation for making peanut butter. His list of ingredients is simple – peanuts, and in some jars salt as well. New Zealand imported \$338.1 million of fruit and nuts in the year ending June 2009.

In the year ending June 2009, Australia received \$9.7 billion of New Zealand's merchandise exports. The main commodities exported were crude oil (\$1.7 billion); mechanical machinery and equipment (\$758 million); precious metals, jewellery, and coins (\$729 million); and electrical machinery and equipment (\$443 million).

New Zealand imported goods worth \$8.1 billion from Australia in the year ending 30 June 2009. The two main commodities imported were petroleum and products (\$815 million), and mechanical machinery and equipment (\$513 million).

From the year ending June 2008, New Zealand has been a net exporter of petroleum and products to Australia, with Australia receiving 83.4 percent of New Zealand's total petroleum and products exports (largely crude oil) in the June 2009 year.

Table 25.23

Trade with Australia ⁽¹⁾					
By main commodities exported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Crude oil	300	393	393	1,803	1,659
Mechanical machinery and equipment	731	761	823	812	758
Precious metals, jewellery, and coins	337	357	335	475	729
Electrical machinery and equipment	332	374	411	401	443
Textiles and textile articles ⁽²⁾⁽³⁾	467	470	475	481	443
Milk powder, butter, and cheese	248	289	292	410	396
Iron and steel and articles ⁽³⁾	323	274	331	365	344
Logs, wood, and wood articles	376	334	343	370	339
Wine	88	122	180	246	323
Paper and paperboard and articles ⁽³⁾	387	217	284	305	301
Plastic and plastic articles	288	285	286	276	265
Miscellaneous edible preparations	165	201	188	228	231
Preparations of cereals, flour, and starch	120	136	157	176	227
Fish, crustaceans, and molluscs	153	159	185	198	215
Aircraft and parts	108	65	54	33	200
Vehicles, parts, and accessories	137	153	137	163	198
Preparations of vegetables, fruit, and nuts	103	99	114	126	145
Petroleum and products other than crude oil	32	62	52	67	135
Optical, medical, and measuring equipment	119	109	115	122	132
Furniture, furnishings, and light fittings	89	94	103	111	119
Other commodities ⁽³⁾	1,604	1,619	1,797	1,859	1,885
Confidential data ⁽⁴⁾	0	225	146	145	230
Total	6,507	6,797	7,201	9,172	9,717

(1) Exports valued free on board at New Zealand ports. (2) Excluding wool. (3) Export values exclude confidential data. (4) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.24

Trade with Australia ⁽¹⁾					
By main commodities imported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Petroleum and products	1,233	822	1,398	1,214	815
Mechanical machinery and equipment	553	530	499	537	513
Vehicles, parts, and accessories	853	718	643	667	430
Electrical machinery and equipment ⁽²⁾	403	408	422	447	428
Iron and steel and articles ⁽²⁾	454	429	471	448	375
Paper and paperboard and articles	390	385	379	389	367
Inorganic chemicals ⁽²⁾	285	337	392	360	321
Plastic and plastic articles	305	317	333	343	319
Pharmaceutical products	211	251	319	298	299
Cereals	124	118	142	193	262
Preparations of cereals, flour, and starch	161	177	198	214	245
Optical, medical, and measuring equipment	140	149	155	168	220
Miscellaneous edible preparations	162	170	192	196	207
Textiles and textile articles	214	208	201	208	189
Books, newspapers, and printed matter	191	184	192	196	186
Beverages, spirits and vinegar	184	196	202	188	185
Sugars and sugar confectionery ⁽²⁾	127	142	167	158	157
Aluminium and aluminium articles ⁽²⁾	144	152	178	176	153
Other chemical products	83	97	113	126	135
Cocoa and cocoa preparations	68	68	84	92	129
Other commodities ⁽²⁾	1,622	1,718	1,958	2,018	2,096
Confidential data ⁽³⁾	25	25	25	38	75
Total	7,933	7,600	8,664	8,673	8,106

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.25

Trade with Australia ⁽¹⁾			
Year ending 30 June			
Year	Exports	Imports	Trade balance
	(fob)	(cif)	(fob - cif)
\$(million)			
2000	5,528	6,843	-1,316
2001	6,083	7,010	-927
2002	6,326	7,188	-862
2003	6,050	7,278	-1,228
2004	6,332	7,364	-1,032
2005	6,507	7,933	-1,426
2006	6,797	7,600	-803
2007	7,201	8,664	-1,462
2008	9,172	8,673	499
2009	9,717	8,106	1,611

(1) Exports valued fob (free on board) at New Zealand ports. Imports valued cif (cost including insurance and freight).

Note: Figures may not equate to stated balances due to rounding.

Source: Statistics New Zealand

Image removed due to copyright issues

The Dominion Post

Scrap metal is loaded onto the ID Black Sea, bound for a steel mill in South Korea. Some may return as imported steel products – for example, as turbine parts for a wind farm. This scrap metal contributed to New Zealand's 13th-largest export-earning commodity group.

United States

The United States is New Zealand's second main trading partner for merchandise exports and the third-largest supplier of merchandise imports. The value of exports to the United States in the year ending June 2009 was up 19.7 percent from the previous June year, with the United States receiving 11.2 percent (by value) of New Zealand's merchandise exports. The value of imports from the United States for the June 2009 year rose 12.5 percent from the June 2008 year, with the United States supplying 10.1 percent of New Zealand's merchandise imports.

The balance of merchandise trade with the United States returned to a surplus (\$162 million) in the June 2009 year after being in deficit (\$111 million) in 2008.

In the year ending June 2009, the United States received \$4.8 billion of New Zealand's merchandise exports. The main commodities exported were meat and edible offal (\$1.1 billion), milk powder, butter, and cheese (\$680 million), and casein and caseinates (\$503 million). Meat and edible offal exports were mainly beef meats (75.7 percent), with the United States accounting for 43.1 percent of New Zealand's total beef meat exports.

New Zealand imported goods worth \$4.6 billion from the United States in the year ending 30 June 2009. The main commodities were mechanical machinery and equipment (\$988 million), aircraft and parts (\$593 million), and optical, medical, and measuring equipment (\$446 million).

Tables 25.26 and 25.27 detail the main commodities traded with the United States, while table 25.28 shows New Zealand's trade with the United States over the 10 years to 2009.

Table 25.26

Trade with United States ⁽¹⁾					
By main commodities exported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Meat and edible offal	1,048	1,069	1,026	880	1,141
Milk powder, butter, and cheese	402	417	479	386	680
Casein and caseinates	289	299	363	389	503
Mechanical machinery and equipment	326	394	334	280	247
Optical, medical, and measuring equipment	95	112	160	159	232
Wine	113	138	175	160	224
Logs, wood, and wood articles	420	377	331	293	215
Fish, crustaceans, and molluscs	202	201	179	162	173
Electrical machinery and equipment	189	174	194	152	141
Fruit	72	86	98	106	116
Miscellaneous edible preparations	147	168	213	100	109
Crude oil	0	0	0	0	102
Iron and steel and articles ⁽²⁾	106	120	111	105	84
Food residues, wastes, and fodder	17	21	22	29	83
Aircraft and parts	60	31	87	130	78
Albumins, gelatin, glues, and enzymes	34	33	45	49	67
Other animal originated products	38	37	34	39	61
Tanning extracts, dyes, paints, and putty	1	2	5	12	43
Textiles and textile articles ⁽²⁾⁽³⁾	45	51	68	80	43
Aluminium and aluminium articles	123	119	168	139	41
Other commodities ⁽²⁾	567	505	429	362	419
Confidential data ⁽⁴⁾	0	1	1	5	5
Total	4,295	4,354	4,522	4,017	4,808

(1) Exports valued free on board at New Zealand ports. (2) Export values exclude confidential data. (3) Excluding wool. (4) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.27

Trade with United States ⁽¹⁾					
By main commodities imported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Mechanical machinery and equipment	810	817	790	810	988
Aircraft and parts	361	1,371	892	596	593
Optical, medical, and measuring equipment	304	340	361	373	446
Electrical machinery and equipment ⁽²⁾	324	318	313	332	438
Vehicles, parts, and accessories	306	315	326	379	295
Plastic and plastic articles	192	181	184	177	187
Other chemical products	104	122	130	118	133
Pharmaceutical products	70	78	78	92	99
Fruit and nuts	59	66	73	75	88
Petroleum and products	42	60	59	60	85
Organic chemicals ⁽²⁾	82	63	68	74	79
Essential oils, perfumes, and toiletries	64	68	76	71	79
Food residues, wastes, and fodder	48	65	51	51	69
Miscellaneous edible preparations	40	43	48	54	63
Books, newspapers, and printed matter	59	61	60	58	62
Paper and paperboard and articles	46	50	49	44	60
Textiles and textile articles	58	66	62	57	60
Iron and steel and articles ⁽²⁾	46	48	53	54	54
Toys, games, and sports requisites	47	60	42	55	52
Fertilisers	81	38	15	4	48
Other commodities ⁽²⁾	496	524	562	591	650
Confidential data ⁽³⁾	2	3	2	4	20
Total	3,641	4,755	4,295	4,128	4,646

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Japan

Japan is New Zealand's third main trading partner for merchandise exports and the fourth-largest supplier of merchandise imports. The value of exports to Japan in the year ending June 2009 was up 0.4 percent from the previous June year, while imports were down 10.5 percent.

In the June 2009 year New Zealand's balance of merchandise trade with Japan was a deficit of \$248 million, compared with a deficit of \$687 million in the June 2008 year.

Table 25.28

Trade with United States ⁽¹⁾			
Year ending 30 June			
Year	Exports	Imports	Trade balance
	(fob)	(cif)	(fob - cif)
\$(million)			
2000	3,733	5,127	-1,394
2001	4,651	5,298	-647
2002	4,922	4,777	145
2003	4,366	4,067	299
2004	4,297	3,930	368
2005	4,295	3,641	655
2006	4,354	4,755	-401
2007	4,522	4,295	228
2008	4,017	4,128	-111
2009	4,808	4,646	162

(1) Exports valued fob (free on board) at New Zealand ports. Imports valued cif (cost including insurance and freight).

Note: Figures may not equate to stated balances due to rounding.

Source: Statistics New Zealand

Table 25.29

Trade with Japan ⁽¹⁾			
Year ending 30 June			
Year	Exports (fob)	Imports (cif)	Trade balance (fob - cif)
	\$(million)		
2000	3,382	3,474	-93
2001	4,314	3,427	887
2002	3,732	3,618	115
2003	3,354	3,876	-522
2004	3,283	3,849	-566
2005	3,446	3,924	-479
2006	3,303	3,994	-690
2007	3,496	3,688	-192
2008	3,359	4,046	-688
2009	3,373	3,621	-248

(1) Exports valued fob (free on board) at New Zealand ports. Imports valued cif (cost including insurance and freight).

Note: Figures may not equate to stated balances due to rounding.

Source: Statistics New Zealand

In the year ending June 2009, Japan received \$3.4 billion of New Zealand's merchandise exports. The main commodities exported were aluminium and aluminium articles (\$518 million), milk powder, butter, and cheese (\$402 million), and logs, wood, and wood articles (\$401 million).

New Zealand imported goods worth \$3.6 billion from Japan in the year ending 30 June 2009. Vehicles, parts, and accessories made up 38.4 percent (\$1.4 billion) of total imports from Japan – which was the most common source for passenger vehicles (see table 25.20). Petroleum and petroleum products (\$628 million), and mechanical machinery and equipment (\$555 million) were the next-largest commodity groups imported from Japan.

Table 25.30

Trade with Japan ⁽¹⁾					
By main commodities exported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Aluminium and aluminium articles	565	703	895	796	518
Milk powder, butter, and cheese	263	276	309	379	402
Logs, wood, and wood articles	513	432	427	379	401
Meat and edible offal	409	370	294	254	303
Fruit	267	217	235	232	265
Casein and caseinates	100	102	114	147	191
Miscellaneous edible preparations	138	133	134	147	176
Vegetables	151	126	122	119	140
Fish, crustaceans, and molluscs	155	127	131	115	133
Wood pulp and waste paper	97	79	82	100	95
Albumins, gelatin, glues, and enzymes	33	36	40	50	76
Crude oil	67	55	82	64	67
Iron and steel and articles ⁽²⁾	35	46	35	31	52
Meat and fish preparations	18	25	30	31	35
Preparations of vegetables, fruit, and nuts	23	24	27	30	34
Organic chemicals ⁽²⁾	165	69	99	70	30
Trees, plants, bulbs, and cut flowers ⁽²⁾	32	34	34	33	30
Cocoa and cocoa preparations	29	30	30	29	28
Optical, medical, and measuring equipment	19	20	19	17	21
Preparations of cereals, flour, and starch	28	24	16	16	19
Other commodities ⁽²⁾	339	375	340	214	198
Confidential data ⁽³⁾	0	1	1	106	161
Total	3,446	3,303	3,496	3,359	3,373

(1) Exports valued free on board at New Zealand ports. (2) Export values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Table 25.31

Trade with Japan ⁽¹⁾					
By main commodities imported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Vehicles, parts, and accessories	2,264	1,963	1,863	2,030	1,389
Petroleum and products	2	258	252	411	628
Mechanical machinery and equipment	590	639	564	652	555
Electrical machinery and equipment ⁽²⁾	368	411	295	284	293
Iron and steel and articles ⁽²⁾	134	147	144	120	133
Paper and paperboard and articles	33	37	46	61	97
Rubber and rubber articles	87	88	88	90	88
Optical, medical, and measuring equipment	133	125	89	63	75
Plastic and plastic articles	82	81	83	63	67
Photographic films, papers, and chemicals	46	55	68	63	54
Tanning extracts, dyes, paints, and putty	14	15	18	21	26
Tin and tin articles	0	0	1	10	24
Organic chemicals ⁽²⁾	20	23	21	21	17
Pharmaceutical products	6	7	6	9	13
Other chemical products	11	12	10	11	12
Toys, games, and sports requisites	4	8	7	7	10
Aircraft and parts	3	4	6	4	9
Textiles and textile articles	11	12	9	9	8
Inorganic chemicals ⁽²⁾	19	20	23	16	8
Precious metals, jewellery, and coins	1	2	9	8	8
Other commodities ⁽²⁾	94	87	84	78	81
Confidential data ⁽³⁾	1	2	2	14	27
Total	3,924	3,994	3,688	4,046	3,621

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

People's Republic of China

In the year ending June 2009, the People's Republic of China was New Zealand's fourth-largest trading partner for merchandise exports and the second-largest supplier of merchandise imports. The value of exports to China rose 60.6 percent, while imports rose 14.3 percent, compared with the previous June year.

In the year ending June 2009, New Zealand's balance of merchandise trade with China was a deficit of \$3.3 billion.

In the June 2009 year, China received \$3.4 billion of New Zealand's merchandise exports. The main commodities exported were milk powder, butter, and cheese (\$816 million), logs, wood, and wood articles (\$560 million), and preparations of cereals, flour, and starch (\$309 million).

In the year ending June 2009, New Zealand imported goods worth \$6.7 billion from China. The main commodities were electrical machinery and equipment (\$1.3 billion), textiles and textile articles (\$1.2 billion), and mechanical machinery and equipment (\$1.1 billion).

Tables 25.32 and 25.34 (overleaf) detail the main commodities traded with the People's Republic of China, while table 25.33 (overleaf) shows trade with China over the 10 years to 2009.

Table 25.32

Trade with People's Republic of China ⁽¹⁾					
By main commodities exported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Milk powder, butter, and cheese	280	372	328	406	816
Logs, wood, and wood articles	137	186	270	234	560
Preparations of cereals, flour, and starch	38	77	84	68	309
Wool	132	183	168	181	221
Wood pulp and waste paper	145	128	207	182	148
Other animal originated products	88	86	78	96	144
Meat and edible offal	45	54	59	82	140
Fish, crustaceans, and molluscs	109	96	93	104	139
Animal or vegetable fats and oils ⁽²⁾	53	60	73	129	103
Raw hides, skins, and leather ⁽²⁾	88	64	96	124	81
Fruit	7	15	19	26	54
Iron and steel and articles ⁽²⁾	13	25	16	25	48
Ores, slag, and ash	54	50	31	51	43
Electrical machinery and equipment	28	35	53	45	42
Food residues, wastes, and fodder	32	27	27	30	38
Mechanical machinery and equipment	22	24	24	43	38
Copper and copper articles	15	39	42	40	38
Paper and paperboard and articles ⁽²⁾	40	32	35	32	31
Aluminium and aluminium articles	18	28	27	25	30
Casein and caseinates	16	23	23	20	27
Other commodities ⁽²⁾	228	135	123	132	124
Confidential data ⁽³⁾	0	1	0	14	186
Total	1,587	1,740	1,876	2,091	3,359

(1) Exports valued free on board at New Zealand ports. (2) Export values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Image removed due to copyright issues

Free trade agreements

On 27 October 2009, New Zealand signed a free trade agreement (FTA) with Malaysia. The FTA liberalises and facilitates the trade in goods and services, seeks to improve the business environment, and promotes cooperation between the two countries in a broad range of economic areas.

FTAs are negotiated with individual or groups of countries as a way to improve access for New Zealand exporters and investors to overseas markets, reduce barriers to trade, and ensure current access is maintained. In return, New Zealand makes access commitments to the other parties of an FTA.

An FTA must be mutually beneficial to the countries involved. Countries considering an FTA look to determine whether it would bring them economic benefit. The rationale behind FTAs is not exclusively economic – it is often underpinned by political and strategic considerations.

Negotiating a successful FTA can take years. Potential FTA partners initiate study to determine the possible economic benefit. If demonstrable benefit exists, then negotiation rounds may start.

In early rounds, participants will build confidence in each other, with negotiators bringing ideas about their intentions for the deal. In later rounds this switches to discussions on specific text, and requests and offers for market access commitments, such as tariff cuts.

New Zealand is currently party to nine FTAs:

- Australia and New Zealand Closer Economic Relations (1983)
- New Zealand and Singapore Closer Economic Partnership (2001)
- New Zealand and Thailand Closer Economic Partnership (2005)
- Trans-Pacific Strategic Economic Partnership (Brunei, Chile, New Zealand, Singapore) (2006)
- New Zealand-China Free Trade Agreement (2008)
- ASEAN-Australia-New Zealand Free Trade Area (2009)
- New Zealand-Malaysia Free Trade Agreement (2009) – signed but not yet entered into force
- New Zealand-Hong Kong Closer Economic Partnership (2010) – signed in March 2010
- New Zealand-Gulf Cooperation Council Free Trade Agreement (2010) – negotiations concluded and scheduled to be signed in 2010.

New Zealand is also in negotiations for the following agreements:

- New Zealand-South Korea Free Trade Agreement
- New Zealand-India Free Trade Agreement
- Expansion of the Trans-Pacific Strategic Economic Partnership
- Anti-Counterfeiting Trade Agreement.

A series of joint studies is being looked at with Japan with the hope of moving into substantive negotiations.

Information on these arrangements is available on the Ministry of Foreign Affairs and Trade's website (www.mfat.govt.nz).

Source: Ministry of Foreign Affairs and Trade

Otago Daily Times

Architect Fred van Brandenburg (centre), with his son Damien (left) and employee Griff Humphreys. With them is a model of the catwalk and carpark parts of a large multi-million-dollar building Mr van Brandenburg designed for Chinese fashion label Marisfrolg in Shenzhen, in Guangdong province. In March 2010, New Zealand Trade and Enterprise opened its fourth Chinese office – in Shenzhen, which also has a number of New Zealand ICT companies.

Table 25.33

Trade with People's Republic of China ⁽¹⁾			
Year ending 30 June			
Year	Exports (fob)	Imports (cif)	Trade balance (fob - cif)
	\$(million)		
2000	766	1,630	-864
2001	1,126	2,149	-1,024
2002	1,434	2,371	-937
2003	1,457	2,687	-1,231
2004	1,617	3,066	-1,449
2005	1,587	3,673	-2,087
2006	1,740	4,443	-2,703
2007	1,876	5,274	-3,398
2008	2,091	5,824	-3,733
2009	3,359	6,658	-3,299

(1) Exports valued fob (free on board) at New Zealand ports. Imports valued cif (cost including insurance and freight).

Note: Figures may not equate to stated balances due to rounding.

Source: Statistics New Zealand

Table 25.34

Trade with People's Republic of China ⁽¹⁾					
By main commodities imported					
Year ending 30 June					
Commodity group	2005	2006	2007	2008	2009
	\$(million)				
Electrical machinery and equipment ⁽²⁾	585	725	902	1,054	1,257
Textiles and textile articles	834	953	1,067	1,109	1,242
Mechanical machinery and equipment	579	793	943	1,017	1,058
Furniture, furnishings, and light fittings	194	240	278	305	309
Iron and steel and articles ⁽²⁾	143	158	224	250	309
Toys, games, and sports requisites	177	198	228	231	253
Plastic and plastic articles	106	134	163	188	230
Footwear	155	180	194	191	226
Vehicles, parts, and accessories	61	73	83	89	107
Salt, earths, stone, lime, and cement	31	19	24	35	106
Articles of leather and animal gut	70	80	88	98	101
Paper, paperboard, and articles	38	69	94	94	98
Glass and glassware	38	59	71	103	98
Optical, medical, and measuring equipment	79	100	89	83	95
Organic chemicals ⁽²⁾	38	42	50	68	85
Inorganic chemicals ⁽²⁾	48	46	62	55	78
Rubber and rubber articles	29	38	47	62	69
Ceramic products	36	43	50	58	57
Ships, boats, and floating structures	9	2	7	8	52
Metal tools, implements, and cutlery	39	41	46	49	49
Other commodities ⁽²⁾	382	445	557	663	737
Confidential data ⁽³⁾	3	4	7	12	45
Total	3,673	4,443	5,274	5,824	6,658

(1) Imports valued cif (cost including insurance and freight). (2) Import values exclude confidential data. (3) Data that is no longer confidential is assigned to specific commodities.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Country groupings

Table 25.35 shows New Zealand's trade with selected geographical and economic groups. Both exports and imports increased for all groups in the year ending June 2009, except for ASEAN where both exports and imports decreased compared with the previous June year. For Asia, APEC, and the OECD, rises in exports exceeded rises in imports, and the fall in imports from ASEAN was larger than the fall in exports to ASEAN. This resulted in reduced trade deficits for these groups. Both Europe and the European Union had increases in the trade deficit compared with the year ending June 2008, with the increase in imports being greater than the increase in exports.

Table 25.35

Merchandise trade ⁽¹⁾						
By country grouping						
Year ending 30 June						
Grouping	2005	2006	2007	2008	2009	
	\$(million)					
Exports	Asia	10,229	10,893	12,027	13,687	15,098
	Europe	5,138	5,336	5,630	6,120	6,350
	APEC	21,763	22,684	24,270	27,556	29,696
	ASEAN	2,401	2,659	3,082	4,589	4,218
	EU	4,850	5,057	5,304	5,698	5,941
	OECD	21,263	21,747	23,048	24,941	26,137
Imports	Asia	13,598	15,852	16,907	19,484	19,522
	Europe	7,296	7,200	7,300	7,606	8,507
	APEC	25,667	28,808	30,645	32,934	33,223
	ASEAN	3,592	5,029	5,233	7,036	6,213
	EU	6,950	6,876	6,975	7,160	7,910
	OECD	24,554	25,507	26,251	26,433	27,274
Trade balance	Asia	-3,369	-4,959	-4,879	-5,797	-4,425
	Europe	-2,158	-1,864	-1,670	-1,486	-2,156
	APEC	-3,904	-6,124	-6,375	-5,378	-3,527
	ASEAN	-1,191	-2,370	-2,151	-2,447	-1,995
	EU	-2,099	-1,820	-1,670	-1,462	-1,968
	OECD	-3,291	-3,760	-3,203	-1,492	-1,137

(1) Exports valued free on board at New Zealand ports. Imports valued cif (cost including insurance and freight).

Note: APEC Asia-Pacific Economic Cooperation countries. ASEAN Association of Southeast Asian Nations. EU European Union. OECD Organisation for Economic Co-operation and Development. Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Image removed due to copyright issues

Otago Daily Times

At 4am, cargo handler Wayne Welsh sits 39 metres above the ship berthed below his glass floor. He operates one of three cranes loading a container ship at Port Chalmers near Dunedin.

Overseas cargo

Overseas cargo statistics record all goods (by value and gross weight) loaded or unloaded at New Zealand's seaports and airports. Overseas cargo statistics, like overseas merchandise trade statistics, are sourced from New Zealand Customs Service entries.

However, there are some conceptual differences between overseas trade statistics and overseas cargo statistics. Some items are included in overseas cargo statistics, but not in trade statistics. These include goods on short-term loan or lease, service transactions (such as computer data tapes and drawings), goods consigned for modification or repair, and returnable containers and samples.

Overseas cargo statistics exclude large self-propelled items, such as aircraft and ships, that arrive in or depart from New Zealand using their own power.

Table 25.36

Seaport	Overseas cargo loaded at New Zealand ports ⁽¹⁾					
	Year ending 30 June					
	Value \$(million) ⁽²⁾			Gross weight (tonnes)		
	2007	2008	2009	2007	2008	2009
Auckland	7,346	8,659	9,828	2,508,282	2,561,227	2,796,110
Tauranga	7,538	8,076	9,334	6,011,407	6,178,871	6,594,267
Port Chalmers	4,130	5,357	5,351	1,530,042	1,544,466	1,598,753
Lyttelton	2,624	2,983	3,545	3,273,358	3,422,638	3,216,969
New Plymouth	1,848	3,677	2,866	1,374,866	3,281,052	3,057,470
Napier	2,253	2,360	2,372	2,078,571	1,989,147	2,004,555
Bluff	1,230	1,065	1,100	648,011	635,851	553,211
Wellington	917	816	951	818,259	764,283	789,277
Nelson	849	829	854	1,243,738	1,119,451	1,180,064
Timaru	1,116	1,053	802	517,266	404,300	314,179
Whangarei	273	254	442	1,156,500	1,230,150	1,551,435
Other	180	166	215	1,699,178	1,790,820	1,670,655
Seaport subtotal	30,305	35,296	37,662	22,859,479	24,922,254	25,326,944
Airport						
Auckland	4,409	4,470	4,622	86,801	81,814	76,313
Christchurch	964	1,034	1,205	16,698	17,022	15,150
Wellington	34	21	25	575	408	569
Other	0	0	0	7	4	5
Airport subtotal	5,408	5,525	5,851	104,080	99,249	92,036
Parcel post	8	6	7	40	29	41
Total all cargo	35,720	40,827	43,520	22,963,599	25,021,532	25,419,022

(1) Includes merchandise freight, goods for repair, loaned and leased goods, military and diplomatic goods, and returnable containers and samples. (2) Cargo loaded is valued free on board at New Zealand ports.

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Customs control and duty collection

The *Working Tariff Document of New Zealand* provides the framework for the New Zealand Customs Service to control goods coming into the country, and to collect duty on them. The tariff is enacted through the Tariff Act 1988, which implements the International Convention on the Harmonized Commodity Description and Coding System.

Part I classifies goods that can be imported or exported – it identifies commodities in broad categories, which are further refined into more detailed and specific classifications.

The tariff shows the duty that is payable on each imported item. The amount depends on the country of origin – some goods have preferential rates when they originate in a country with which New Zealand has a trade agreement (eg Australia). Types of duty include: *ad valorem* duties (a percentage of the goods' value), specific duties (a fixed amount for a given quantity, irrespective of value), or a combination of the two.

Part II of the tariff sets out the categories under which duty may be reduced or waived. For example, there are categories for passengers' baggage and effects. There is also a general category under which concessions can be approved by the Minister of Commerce. Concessions are frequently approved for goods that are not manufactured locally.

Excise duty is a tax levied on locally manufactured goods. Beer, wine, spirits, and other alcoholic beverages, alcoholic food preparations, tobacco and cigarettes, and some petroleum products all attract excise duty. The same goods, when imported, are subject to an excise-equivalent duty.

All goods imported into New Zealand are liable for goods and services tax (GST). This tax is in addition to any customs duty, excise-equivalent duty, and any other levies. The GST rate increased to 15 percent (from 12.5 percent) on 1 October 2010.

Source: New Zealand Customs Service

Overseas cargo loaded

Total overseas cargo loaded in New Zealand in the year ending 30 June 2009 weighed 25.4 million tonnes and was worth \$43.5 billion. Overseas cargo loaded at New Zealand seaports in the year ending 30 June 2009 weighed 25.3 million tonnes, up 1.6 percent on the June 2008 year. The value of cargo loaded was \$37.7 billion (up 6.7 percent).

Auckland was the main seaport in terms of value, handling 26.1 percent (by value) of all overseas cargo loaded; followed by Tauranga (24.8 percent), Port Chalmers (14.2 percent), and Lyttelton (9.4 percent). In terms of gross weight, Tauranga was the main seaport, handling 26.0 percent (by gross weight) of all overseas cargo loaded; followed by Lyttelton (12.7 percent), New Plymouth (12.1 percent), and Auckland (11.0 percent).

By weight, air cargo was only 0.4 percent of total cargo loaded, but by value it was 13.4 percent, reflecting the comparatively high value of much of the air cargo.

Table 25.36 (previous page) gives a breakdown of New Zealand sea and airports by weight and value of cargo loaded.

Overseas cargo unloaded

Total overseas cargo unloaded in New Zealand in the year ending 30 June 2009 weighed 17.4 million tonnes and was worth \$45.3 billion. Overseas cargo unloaded at New Zealand seaports in the June 2009 year weighed 17.3 million tonnes, down 9.7 percent on 2008. The value of cargo unloaded was \$36.0 billion (up 2.4 percent).

By value, the main seaport was Auckland, which handled 47.8 percent of the total unloaded at seaports. By cargo weight, the main seaport was Whangarei (29.6 percent of the total), followed by Auckland (21.3 percent), and Tauranga (20.3 percent).

By value, air cargo represented 20.6 percent of the total cargo unloaded, but by weight, it was only 0.5 percent of the total. By value, Auckland airport handled 93.4 percent of air cargo. This was 19.2 percent of all cargo unloaded at New Zealand ports.

Table 25.37 gives a breakdown of New Zealand sea and airports by weight and value of cargo unloaded.

Table 25.37

Seaport	Overseas cargo unloaded at New Zealand ports ⁽¹⁾					
	Year ending 30 June			Year ending 30 June		
	Value \$(million) ⁽²⁾			Gross weight (tonnes)		
	2007	2008	2009	2007	2008	2009
Seaport						
Auckland	15,663	15,938	17,180	3,875,889	4,053,695	3,703,883
Tauranga	4,660	5,999	5,167	3,878,849	3,832,395	3,516,112
Whangarei	3,692	4,768	4,606	5,242,347	5,365,603	5,129,640
Lyttelton	2,613	3,067	3,317	1,344,764	1,657,703	1,370,212
Wellington	2,208	2,455	2,663	1,217,135	1,243,235	1,242,280
Bluff	553	559	638	1,125,054	1,274,312	1,013,440
Napier	585	499	583	484,236	364,370	308,643
Port Chalmers	350	477	521	264,727	298,342	212,754
New Plymouth	452	401	444	488,717	556,351	418,084
Nelson	327	611	328	124,273	156,335	137,572
Other	393	350	525	348,570	416,710	296,281
Seaport subtotal	31,498	35,124	35,973	18,394,560	19,219,051	17,348,902
Airport						
Auckland	7,827	7,976	8,701	94,419	94,952	80,247
Christchurch	503	483	547	8,967	8,820	7,579
Wellington	72	52	68	1,059	811	712
Other	0	0	0	1	0	3
Airport subtotal	8,403	8,511	9,315	104,446	104,583	88,540
Parcel post	21	24	28	108	117	138
Total all cargo	39,922	43,659	45,316	18,499,114	19,323,751	17,437,580

(1) Includes merchandise freight, goods for repair, loaned and leased goods, military and diplomatic goods, and returnable containers and samples. (2) Cargo unloaded is valued cif (cost including insurance and freight).

Note: Figures may not add to stated totals due to rounding.

Source: Statistics New Zealand

Contributors and related websites

Ministry of Foreign Affairs and Trade – www.mfat.govt.nz

New Zealand Customs Service – www.customs.govt.nz

New Zealand Trade and Enterprise – www.nzte.govt.nz

Statistics New Zealand – www.stats.govt.nz

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The New Zealand Herald

Reserve Bank Governor Alan Bollard surveys the audience when announcing a 1.5 percent decrease to the official cash rate (OCR) in December 2008. The OCR influences the price of borrowing money in New Zealand and provides the Reserve Bank with a way to influence the level of economic activity and inflation. It is reviewed eight times a year.

26 | Banking and money

Financial institutions

Financial intermediation in New Zealand is dominated by registered banks, the majority of which are subsidiaries or branches of overseas banks. Only 3 of the 19 banks registered at 31 December 2009 were wholly New Zealand-owned.

A substantial number of small, non-bank financial institutions, such as finance companies, credit unions, and building societies, also exist (although numbers have fallen over the past two years due to industry restructuring and failures).

Reserve Bank of New Zealand

The Reserve Bank of New Zealand is New Zealand's central bank. It has three main functions: operating monetary policy to maintain price stability, promoting the maintenance of a sound and efficient financial system, and meeting the currency needs of the public.

The bank is required to manage monetary policy independently to maintain overall price stability. Price stability is defined (in an agreement between the bank's governor and the Minister of Finance) as keeping inflation between 1 and 3 percent, on average, over the medium term. This is achieved through influencing short-term interest rates, which, in turn, influence longer-term interest rates and therefore the spending, saving, and borrowing by the public and businesses.

The bank is also responsible for the registration and prudential supervision of registered banks, and for overseeing payment systems, to help ensure a sound and efficient financial system. The Reserve Bank recently took over the role of prudential regulator for all non-bank deposit-taking financial institutions. These institutions are supervised by trustee corporations in accordance with prudential regulations imposed by the bank. In future, the bank will also license these institutions.

The Reserve Bank issues New Zealand's currency, manages foreign exchange reserves, and provides cash management services to the government.

The Reserve Bank of New Zealand Act 1989 defines the bank's duties and governance arrangements, but makes the bank operationally independent. The bank's chief executive officer, or governor, is accountable for the bank's actions. The bank's performance is monitored by a board of directors on behalf of the Minister of Finance.

Owners of New Zealand banks

There were 19 registered banks operating in New Zealand at 31 December 2009. Most are foreign-owned, with the largest four banks or banking groups being Australian-owned.

The Australian-owned banks/banking groups and their parent companies are:

New Zealand branch and subsidiary	Parent company
Australia and New Zealand Banking Group Ltd and ANZ National Bank Ltd	Australia and New Zealand Banking Group Ltd
Bank of New Zealand	National Australia Bank Ltd
Commonwealth Bank of Australia and ASB Bank Ltd	Commonwealth Bank of Australia Ltd
Westpac Banking Corporation and Westpac New Zealand Ltd	Westpac Banking Corporation

The assets of these Australian-owned banks and banking groups range from \$68 billion (18 percent) to \$126 billion (33 percent) of total bank assets, and in aggregate are almost 90 percent of the assets of the 19 registered banks.

Three banks are New Zealand-owned: Kiwibank Ltd, Southland Building Society (trading as SBS Bank), and TSB Bank Ltd. Kiwibank is owned by New Zealand Post Ltd, a state-owned enterprise, SBS Bank by its members, and TSB Bank by the TSB Community Trust (a regional charitable trust). The assets of these banks range from almost \$3 billion for SBS Bank (less than 1 percent of total bank assets), to \$12 billion for Kiwibank. Total assets for the three banks are around 5 percent of all registered bank assets.

All Australian-owned banks or banking groups have a significant exposure to residential housing loans; New Zealand-owned banks even more so. Excluding inter-bank lending, the Australian-owned banks' housing loans range from 45 percent to 60 percent of their private sector lending. New Zealand-owned banks have an even greater housing exposure, ranging from 70 percent to over 80 percent.

Australian-owned banks are 'multi-sector' banks and conduct the bulk of business lending by banks in New Zealand. An average of 14 percent of their private-sector lending is to agriculture, another 10 percent is for commercial property, with the remainder being to various business sectors, including non-resident business.

Source: Reserve Bank of New Zealand

Bank registration and supervision

The Act requires the bank to maintain a sound and efficient financial system, and to avoid significant damage to the financial system that could result from the failure of a registered bank. The supervision framework does not aim to protect depositors or individual banks from loss. Instead, the main focus is on the efficient and effective operation of the banking system as a whole.

A major disruption in providing financial services, or lack of efficiency in delivering services, could potentially impose significant costs on other sectors of the economy.

If a bank does fail, the Reserve Bank has crisis management powers that allow it to take steps to minimise any flow-on effects to the rest of the financial sector.

There is no upper limit on the number of banks that can be registered in New Zealand. The policy behind this is based on the belief that competitive forces encourage efficiency and innovation, and that overseas banks coming to New Zealand can bring valuable expertise to the local market. Nevertheless, all applicants for registration must satisfy the Reserve Bank that they can meet high prudential standards.

The Reserve Bank's supervision framework imposes regulatory rules on banks as well as disclosure and director attestation requirements. Regulatory requirements cover a range of matters, including:

- the internationally-agreed minimum capital adequacy ratio of 8 percent
- exposure to connected persons
- liquidity
- the scope of non-banking business the banks can undertake
- provisions in the bank's constitution.

Public disclosure and director attestation requirements also play an important role. Each bank must publish a quarterly disclosure statement containing a comprehensive range of financial information on the bank, the banking group it heads and, where applicable, the parent company. The bank's directors are required to sign each disclosure statement and a number of attestations about key prudential matters, including one relating to the adequacy of the bank's systems and controls. These requirements strengthen the market's discipline on banks and sharpen incentives for directors to take appropriate responsibility for the prudent operation of their bank.

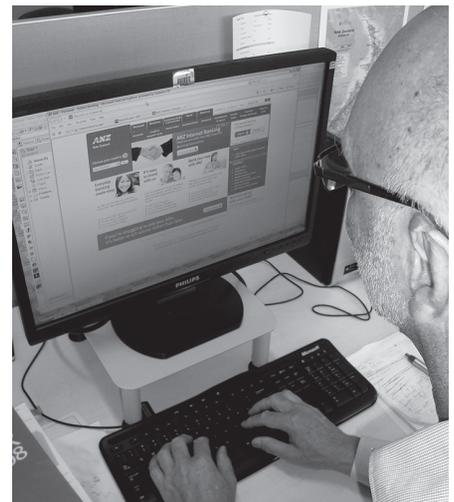
The disclosure statements are intended to assist depositors and other creditors to make informed decisions on where to place their money.

Registered banks

At 31 December 2009, there were 19 registered banks in New Zealand. The number of banks per person is still relatively high by international standards. In part this reflects the open nature of the registration regime.

Registered banks operating in New Zealand at 31 December 2009 were: ANZ National Bank Ltd; Australia and New Zealand Banking Group Ltd; ASB Bank Ltd; Bank of Baroda (New Zealand) Ltd; Bank of New Zealand; Bank of Tokyo-Mitsubishi Ltd; Citibank NA; Commonwealth Bank of Australia; Deutsche Bank AG; JP Morgan Chase Bank NA; Kiwibank Ltd; Kookmin Bank; Rabobank Nederland; Rabobank New Zealand Ltd; Southland Building Society; The Hong Kong and Shanghai Banking Corporation Ltd; TSB Bank Ltd; Westpac Banking Corporation; and Westpac New Zealand Ltd.

Image removed due to copyright issues



Bank of New Zealand Archive; Jan Schrader

Past and present: To improve service to customers in more isolated parts of Auckland, in 1957 the Bank of New Zealand hit the road in a customised Commer bus. In 2010, bank customers can access their accounts directly through the Internet.

Access to branches and services – the first automated teller machines (ATMs) were introduced to New Zealand in mid-1979, and by the end of 1982 all major trading banks offered ATM services.

Electronic funds transfer at point of sale (EFTPOS) – was introduced to New Zealand in 1984 as a means of paying for retail goods and services. Banks agreed in 1990 to integrate their EFTPOS services, and growth of the network has been rapid since then.

Electronic card transactions – there were 1.087 billion electronic transactions in the year ending December 2009, with a value of \$57.1 billion. This compares with 1.029 billion transactions with a value of \$56.3 billion in the December 2008 year.

For the year ending December 2009, debit transactions made up 56 percent of all electronic transactions by value (credit made up 44 percent). This is an increase in debit transactions from the previous year, when they made up 54 percent of the total (credit made up 46 percent).

Table 26.01

Year	Denominated in foreign currency				Denominated in New Zealand dollars							
	Current account advances ⁽¹⁾	Marketable securities ⁽²⁾⁽³⁾	IMF holdings of SDRs ⁽⁴⁾	Foreign assets ⁽⁵⁾	Settlement institutions ⁽⁶⁾	Advances Crown settlement account ⁽⁷⁾	Advances to Treasury ⁽⁸⁾	Investment in New Zealand		Fixed assets and other inventories ⁽¹¹⁾	Other assets ⁽¹²⁾	Total assets ⁽¹³⁾
								Government securities ⁽⁹⁾	Other ⁽¹⁰⁾			
	\$(million)											
1999	2,283	3,602	0	0	3,064	0	0	2,256	1	56	6	11,268
2000	2,020	4,109	0	0	1,600	0	0	2,492	0	48	5	10,274
2001	1,810	4,056	0	0	2,517	0	0	2,708	0	44	4	11,139
2002	2,763	2,825	0	4	2,819	0	0	3,002	0	35	6	11,454
2003	2,938	3,137	0	-4	2,120	0	0	3,300	10	36	2	11,539
2004	2,057	2,824	0	0	1,454	0	0	3,323	0	36	4	9,698
2005	3,855	4,108	0	93	265	0	0	4,601	0	40	2	12,964
2006	7,611	4,011	0	117	123	0	0	4,912	0	63	18	16,855
2007	4,025	12,526	0	97	16	0	0	4,342	0	85	4	21,095
2008	2,483	18,140	0	113	0	0	0	4,307	18	94	7	25,162
2009	3,449	15,874	0	137	6,931	0	0	4,435	0	87	9	30,922

(1) Foreign-currency-denominated current accounts, margin accounts, reverse repurchase, and secured/unsecured short-term advances to foreign banks and financial institutions. Before August 2004, FX swaps were classified within current account advances; beginning August 2004, these swaps are included in marketable securities. (2) Foreign-currency-denominated sovereign and non-sovereign securities and the net value of the Reserve Bank's derivative positions. (3) Before August 2004, short sales of bonds were netted off against the bonds in marketable securities. From August 2004, short sales are reported as liabilities denominated in foreign currency. (4) International Monetary Fund holdings of SDR-denominated foreign currency assets. SDR holdings were transferred to the Treasury and removed from the Reserve Bank's balance sheet in December 1998. (5) Sundry foreign assets and the Reserve Bank's investment in BIS shares. (6) Reverse repurchase agreements, including the Term Auction Facility introduced in November 2008 and discontinued in November 2009, secured loans, overnight advances, and accrued interest owing from resident and non-resident settlement institutions. (7) Overdrafts due from the Crown settlement account. (8) Fixed-term deposits with the Treasury related to the initial issuance of Reserve Bank Bills, which was discontinued in 1998. (9) Government stock investment portfolio, including purchases of government securities on the secondary market. (10) New Zealand-denominated assets held in the portfolio. (11) Land, buildings, plant, machinery, motor vehicles, and inventories net of accumulated depreciation. (12) Accounts receivable, non-financial, and sundry assets. (13) The sum of the above-defined foreign currency and New Zealand dollar assets.

Note: SDR refers to special drawing rights.

Source: Reserve Bank of New Zealand

Table 26.02

Year	Denominated in foreign currency				Denominated in New Zealand dollars							
	Current ⁽¹⁾⁽²⁾	Long term ⁽³⁾	IMF allocations of SDRs ⁽⁴⁾	Reserve Bank bills ⁽⁵⁾	Settlement institutions ⁽⁷⁾	Other ⁽⁸⁾	Currency in circulation ⁽⁹⁾	Other liabilities ⁽¹⁰⁾	Capital reserves ⁽¹¹⁾	Total liabilities ⁽¹²⁾		
				Government ⁽⁶⁾								
	\$(million)											
1999	1,474	4,405	0	0	2,881	1	55	1,885	13	554	11,268	
2000	1,541	4,589	0	0	1,328	49	36	2,160	14	557	10,274	
2001	963	4,756	0	0	2,250	66	70	2,463	166	405	11,139	
2002	1,047	4,192	0	0	2,947	4	15	2,659	10	580	11,454	
2003	892	4,069	0	0	3,143	2	24	2,806	7	596	11,539	
2004	945	3,828	0	0	1,243	71	70	2,920	8	613	9,698	
2005	3,220	4,057	0	0	668	57	64	3,183	161	1,554	12,964	
2006	1,783	5,342	0	0	2,248	2,177	103	3,348	433	1,421	16,855	
2007	901	3,962	0	0	3,152	7,810	47	3,360	284	1,579	21,095	
2008	1,044	3,562	0	0	6,904	7,992	28	3,448	258	1,926	25,162	
2009	2,316	3,224	0	2,085	8,321	7,322	42	3,923	92	3,597	30,922	

(1) Foreign-currency-denominated repurchase, secured loan and credit line financing, and deposits provided by foreign counterparties plus forward purchases of foreign currency. (2) Before August 2004, short sales of bonds were netted off against the bonds in marketable securities. From August 2004, short sales are reported as liabilities denominated in foreign currency. (3) Foreign-currency-denominated financing provided by the Treasury. (4) SDR-denominated financing provided by the International Monetary Fund (IMF). In December 1998, SDR assets and liabilities were transferred to the Treasury. SDRs are now directly accounted for on the Crown balance sheet. (5) Short-term discount securities issued by the Reserve Bank. The bank ceased issuing Reserve Bank bills on 5 February 1999. All Reserve Bank bills and related advances to the Treasury were repaid by 9 April 1999. Reserve Bank bills were reintroduced in November 2008 and discontinued in November 2009. (6) Net in-funds balance in the Crown settlement and other government accounts held at the Reserve Bank. (7) Repurchase agreements and exchange settlement account balances of resident and non-resident settlement institutions held at the Reserve Bank. (8) IMF No. 1 account, and deposits from other central banks, Reserve Bank staff deposits, and other sundry deposits. (9) The face value of notes and coins issued into circulation, including collector's currency. (10) Creditors and accounts payable. Includes demonitised notes and coins and provisions for dividends payable to the government. (11) Capital, retained earnings, general and special reserves, valuation adjustments, and current period accumulated income. (12) The sum of the above-defined foreign currency and New Zealand dollar liabilities.

Note: SDR refers to special drawing rights.

Source: Reserve Bank of New Zealand

Online banking now the norm

Online banking has become mainstream, with frequently used sites receiving more than half a million unique browsers a month according to the Nielsen Company's online division. The company interviewed 10,000 people about their online banking habits in 2009.

Once they use the Internet, people of all ages adopt online banking with enthusiasm. For younger people with Internet access, online banking is the norm. Around 78 percent of people aged under 40 years use online banking, compared with 55 percent of those aged 40 or over.

People who bank online tend to be regular users, with two-thirds (65 percent) logging in more than once a week.

On their last visit to an online banking site, 85 percent of customers checked their account balances and 61 percent transferred money between their accounts. Over half those surveyed (54 percent) made an online payment when they last visited a banking site.

On the whole, customers are extremely happy with the online banking sites they use – 78 percent rated their experience as 'very good' or 'excellent' while only 4 percent gave a less than 'good' rating. From Nielsen's survey, the leading banks in this area are ASB, Kiwibank, and Westpac (each received over 80 percent 'very good' and 'excellent' ratings).

Online customers are encouraged to run up-to-date antivirus programs and regularly change passwords to minimise risks associated with online banking. Some banks employ two-factor online authentication – generally a user name and password, and a code number.

National Bank, ANZ, ASB, Kiwibank, and BNZ all offer reimbursement for online banking fraud on a case-by-case basis. Westpac guarantees cover for all online banking fraud losses.

Source: The Nielsen Company; Bankers Association

Table 26.03

Liabilities and assets of registered banks

Item	At 30 December					
	2004	2005	2006	2007	2008	2009
	\$(million)					
Liabilities						
New Zealand dollar funding						
New Zealand residents	124,654	137,522	151,362	167,243	193,514	186,632
Non-residents	32,372	31,408	42,228	39,623	39,144	37,385
Total	157,026	168,930	193,590	206,866	232,657	224,017
Foreign currency funding						
New Zealand residents	5,645	7,835	8,065	10,023	9,422	7,694
Non-residents	42,613	47,658	57,341	71,537	88,374	94,223
Total	48,258	55,493	65,406	81,560	97,796	101,917
Capital and reserves	18,336	19,317	20,166	21,321	22,841	20,988
Other liabilities ⁽¹⁾	12,427	8,881	14,670	22,148	49,591	31,568
Total liabilities	236,047	252,621	293,832	331,895	402,885	378,490
Funding from associates ⁽²⁾	30,737	31,090	40,131	45,259	54,093	56,938
Assets						
Government securities	5,003	4,726	1,970	2,169	3,108	11,074
New Zealand notes and coin	929	974	896	896	819	981
Claims on the Reserve Bank ⁽³⁾	80	245	9,091	8,371	12,749	10,221
New Zealand dollar claims						
New Zealand residents (M3)	12,282	13,165	13,660	12,108	19,391	11,449
New Zealand residents (non-M3)	177,413	204,237	231,521	264,633	290,255	292,345
Non-residents	14,945	8,821	8,195	8,054	7,318	9,621
Total	204,640	226,223	253,376	284,795	316,964	313,415
Foreign currency claims						
New Zealand residents	4,118	4,432	3,841	4,888	4,606	3,788
Non-residents	7,547	3,564	5,720	7,345	8,702	6,492
Total	11,665	7,996	9,561	12,233	13,308	10,280
Foreign currency fixed assets and equity investment						
Shares (in New Zealand companies)	45	258	214	240	435	240
Other assets ⁽⁴⁾	13,608	12,115	18,496	23,098	55,402	32,151
Total assets	235,970	252,537	293,604	331,802	402,884	378,490
Financial claims on associates ⁽²⁾	10,987	5,653	5,269	6,877	7,967	5,288

(1) Includes trade creditors/debtors, revaluations, financial derivatives, accruals, accounts payable/receivable, and items in transit, timing and statistical adjustments. (2) Any two entities, that is companies, organisations, or individuals, with the same shareholders and/or any company that holds 20 percent or more of the paid-up capital of another company (the associated). A subsidiary is an associate. (3) This series shows a large decline until 2006 when the Reserve Bank made changes to its domestic liquidity management regime, which resulted in a significant increase of overnight settlement cash balances. The figures include holdings of Reserve Bank bills.

Note: The composition of the survey has changed as institutions acquire or relinquish a banking licence. See the Reserve Bank website for more details (www.rbnz.govt.nz). Figures may not add to stated totals due to rounding.

Source: Reserve Bank of New Zealand



Richard King

The Snapper card is a radio frequency identification electronic ticketing card, an alternative to cash. Users load the card with credit, then 'tag' on and off Wellington's buses, or use it for other small purchases, such as coffee or food, at participating sites.

Industry self-regulation – the New Zealand Bankers' Association is a professional industry association established in 1891. The association represents and promotes the interests of the banking industry and delivers services that can be undertaken effectively on an industry basis to its members.

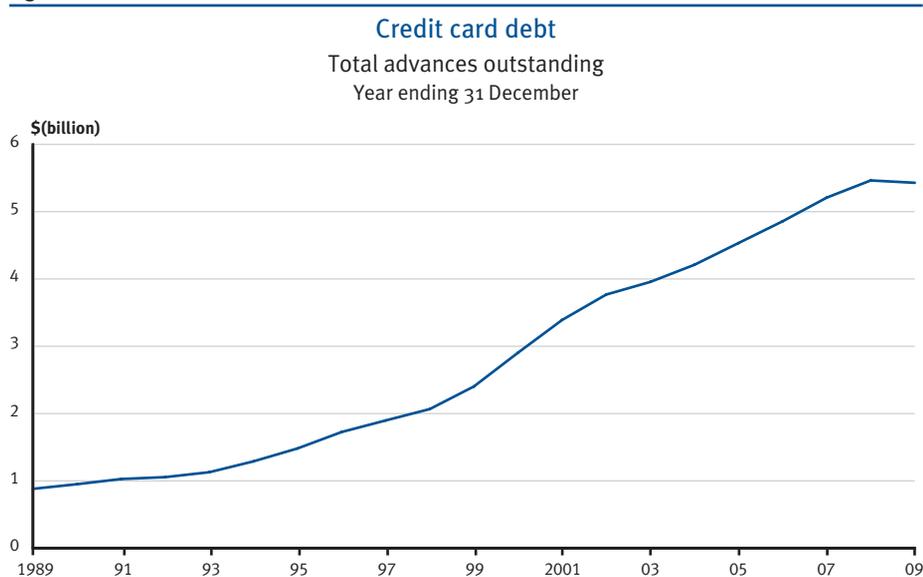
The association introduced a Code of Banking Practice in 1992, which established minimum standards of practice for banks to observe in dealing with personal customers. The fourth edition of the code was published in 2007, following comprehensive public consultation. The Internet banking chapter was revised in 2008 after further public consultation.

The code is linked to the Banking Ombudsman Scheme, an independent external complaints review process that was established in July 1992.

Other deposit-taking financial institutions

Although banks are the dominant financial institutions in New Zealand, there are more than 50 smaller deposit-taking financial institutions in New Zealand, made up of credit unions, building societies, and finance companies (that raise funds from the public). After rapid growth in the six years to 2009, the finance company sector has shrunk, especially those institutions with exposure to property-related finance.

Figure 26.01



Note: This is the amount of money, either on deposit for, or owed in total by, all credit card holders as at the end of each month – includes active and inactive accounts, but no closed accounts.

Source: Reserve Bank of New Zealand

Towards a cashless society

New Zealand is a world leader in the transition towards a cashless society, as online banking, credit and debit cards, EFTPOS (electronic funds transfer at point of sale), and telephone banking transform the way that people pay for goods and services.

While EFTPOS use and online transactions are growing, the use of cheques continues to decrease. When the New Zealand Bankers' Association started keeping

records in 1993, cheques accounted for 54 percent of all transactions. Today cheque use has fallen to less than 10 percent of transactions (see MICR in the table).

Growth in the number of automated teller machines (ATMs) and EFTPOS terminals, and the number of debit cards, reflects the increased use of plastic cards to conduct transactions.

Transaction types

2004–08

Payment type	Number		
	2004	2006	2008
MICR ⁽¹⁾	192,072,405	171,709,374	143,924,704
Electronic credits ⁽²⁾	308,168,265	326,086,382	359,404,562
Direct debits	92,067,952	95,153,801	116,516,157
Credit card ⁽³⁾	179,226,205	213,365,169	238,728,788
Credit card ⁽⁴⁾	180,575,950	218,138,379	246,696,881
ATM ⁽⁵⁾	212,653,902	208,683,516	209,879,074
EFTPOS ⁽⁶⁾	694,534,599	857,033,727	1,067,640,006
Internet banking ⁽⁷⁾	50,888,347	81,714,843	118,893,063

(1) Magnetic ink character recognition (MICR) refers mainly to cheques. (2) Automatic payments and direct credits. (3) Transactions on credit cards issued by banks located in New Zealand and transactions generated within and outside New Zealand. (4) Transactions generated at New Zealand merchants, including credit cards issued by banks located in and outside New Zealand. (5) Debit card transactions on current account. (6) Debit card and credit card transactions through EFTPOS terminal. (7) Includes bill payments and funds transfer transactions.

Source: New Zealand Bankers' Association

Table 26.04

Year	Bank branches, ATMs ⁽ⁱ⁾ , and EFTPOS terminals		
	Bank branches	Bank-owned ATMs	EFTPOS terminals
2001	832	1,830	92,840
2002	1,098	1,889	95,221
2003	1,103	1,889	98,474
2004	1,124	2,019	101,557
2005	1,148	2,287	103,295
2006	1,155	2,321	125,008
2007	1,161	2,419	130,936
2008	1,199	2,476	144,512

(i) Automated teller machines.

Source: New Zealand Bankers' Association

Table 26.05

Year	Cards on issue	
	Credit cards	Debit cards
2001	2,547,629	4,392,770
2002	2,653,153	4,697,289
2003	2,374,391	4,668,276
2004	2,360,777	4,701,569
2005	2,408,051	4,743,785
2006	2,537,074	5,072,252
2007	2,704,009	5,072,982
2008	2,706,120	5,504,900

Source: New Zealand Bankers' Association

Facilitation enhances resolving banking complaints

The Banking Ombudsman Scheme is independent of banks. It resolves disputes between banks and their customers about banking services, at no cost to complainants.

Only disputes that have been through a bank's internal complaints process may be investigated by the Banking Ombudsman, who conducts investigations in an impartial, informal, and non-adversarial manner, by examining all relevant information.

The Banking Ombudsman Scheme, established in 1992, distinguishes between disputes, complaints, and enquiries:

- Disputes are cases that have been considered through a bank's internal complaints procedure, without agreement being reached.
- Complaints are cases that have not been through a bank's internal complaints procedure.
- Enquiries lie outside the terms of reference of the Banking Ombudsman.

Disputes can be resolved either formally, through investigation and written assessment, or informally, with a minimum of procedural formality and complexity, through facilitation or conciliation. The proportion of complaints resolved through informal means is increasing.

Facilitation can take place at either the dispute or complaint level. The aim is to settle matters at an early stage, by agreement between the bank and the complainant after an investigator has identified the key facts. In this process a resolution is facilitated between the parties without them coming together.

Conciliation is a process in which the parties to a dispute, with the assistance of a dispute resolution practitioner, identify the issues in dispute, develop options, consider alternatives, and try to reach an agreement. The Banking Ombudsman's Office arranges and manages this process. Conciliation may occur in person, or by telephone or video conference.

The pattern of disputes has changed significantly recently, partly in response to the economic recession of 2008–09. Complaints relating to failed investments, the cost of breaking fixed-term mortgages, and mortgagee sales rose significantly.

If the ombudsman finds that a bank is at fault, and is unable to settle the matter on a voluntary basis, compensation may be awarded to cover direct losses up to \$200,000, and some incidental expenses.

Up to \$6,000 in compensation may also be awarded for inconvenience.

A five-member board guarantees the independence and efficiency of the Banking Ombudsman Scheme. While the board is responsible for the governance of the scheme, it has no influence over the everyday investigative work.

Deborah Battell, the current Banking Ombudsman, was appointed in August 2009.

All banks that provide services to the public and are members of the New Zealand Bankers' Association (NZBA) participate in the scheme, as do Rabobank and SBS, which are not members of the NZBA.

Source: Office of the Banking Ombudsman

Image removed due to copyright issues

The New Zealand Herald

Donation bins at Auckland airport collect notes and coins from travellers and visitors for distribution to charities. In 2009, some of the \$120,000 received went towards food for a community Christmas lunch in Hamilton.

Money

Currency

One of the key statutory obligations of the Reserve Bank is to provide New Zealand's currency.

The total face value of currency in circulation (bank notes and coins) was \$4.56 billion at 31 December 2009. Of this, \$3.58 billion was held by the public, with the balance being held by banks and other financial institutions.

New Zealand's decimal currency system was introduced in 1967 when dollars and cents replaced pounds, shillings, and pence as monetary units. The Reserve Bank initially issued 1, 2, 5, 10, 20, and 50 cent coins, and \$1, \$2, \$5, \$10, \$20, and \$100 bank notes. In 1983 the bank began issuing a \$50 bank note. In 1989 it stopped issuing 1 and 2 cent coins, and in 1991 the bank issued \$1 and \$2 coins to replace the corresponding bank notes.

A substantial change to New Zealand's bank notes occurred in 1992 when a new series was issued. The new notes included images of New Zealanders and contained new security features. Portraits on these current notes are: \$5 – Sir Edmund Hillary, \$10 – Kate Sheppard, \$20 – Queen Elizabeth II, \$50 – Sir Apirana Ngata, and \$100 – Ernest, Lord Rutherford of Nelson. Queen Elizabeth II features on the 'shadow image' of all notes. Rare New Zealand birds feature on the backs of the notes.

Until 1999, New Zealand's bank notes were printed on paper made from cotton. In May 1999, the Reserve Bank started circulating polymer (plastic) bank notes. The main reasons for the change to polymer notes were:

- the average polymer note lasts four times as long as a paper note, which keeps the cost of issuing money down
- polymer notes are stronger and non-porous, so they do not get as dirty as paper
- polymer notes incorporate new security features that are difficult to counterfeit, including a transparent 'window'.

The design of these new notes changed slightly to incorporate the new security features, but the size and colours stayed the same as the paper notes.

In July 2006, the Reserve Bank introduced new and smaller 10, 20, and 50 cent coins. The 5 cent coin was withdrawn from circulation. The new 20 and 50 cent coins are made from nickel-plated steel. The new 10 cent coin is made from copper-plated steel. The \$1 and \$2 coins were retained unchanged, as were the images on the lower-value coins. All coins continue to feature Queen Elizabeth II on the back.

The 5 cent coin was withdrawn mainly because it had little purchasing power. In 2006, five cents bought less than half a cent would have bought when decimal currency was introduced in 1967. The increasing use of electronic payment methods also reduced the need for the 5 cent coin.

New Zealand's old 20 and 50 cent coins were extremely large by international standards. The 50 cent coin, with a diameter of 31.75mm, was one of the largest circulating coins in the world. These old coins were inconvenient to carry in purses and pockets, and for employees to handle.

The old 'silver' coins were demonetised (declared no longer legal tender) three months after the new coins were issued. This meant that shops and other businesses were no longer obliged to accept them as payment for goods and services. However, the Reserve Bank will always pay face value for the coins – as it does for pre-decimal currency.

Monetary policy

Monetary policy is implemented by the Reserve Bank under the terms of the Reserve Bank of New Zealand Act 1989.

Under the Act, the Reserve Bank formulates and implements monetary policy directed to the economic objective of achieving and maintaining stability in the general level of prices. The specific details of the target are set out in a written agreement – between the Governor of the Reserve Bank and the Minister of Finance – called the policy targets agreement (PTA).

The most recent PTA was signed in December 2008 after the new government took office. There were no substantive changes to the agreement. The policy target set out in the PTA is to keep future consumers price index inflation outcomes between 1 percent and 3 percent, on average, over the medium term.

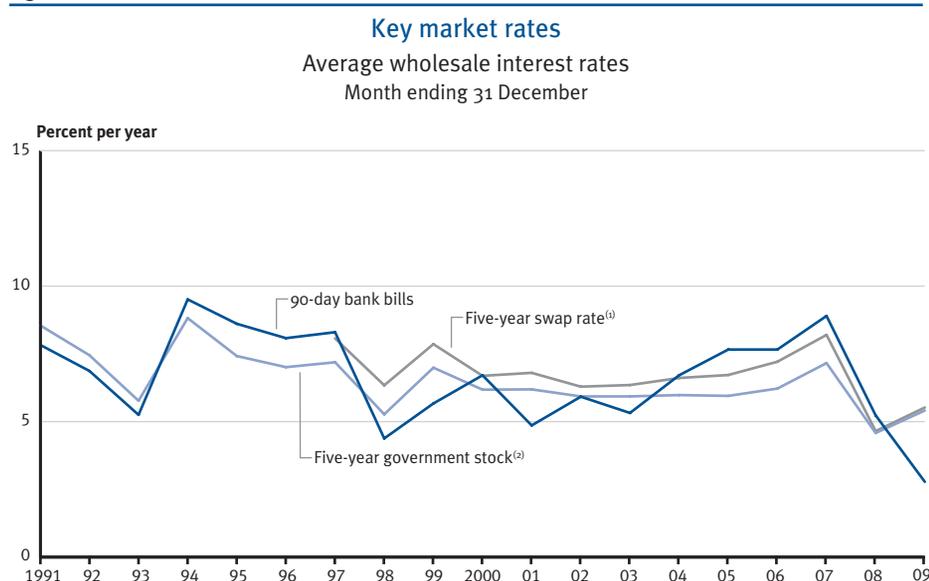
The primary instrument the bank uses to meet the inflation target is the Official Cash Rate (OCR). The OCR influences the price of borrowing money in New Zealand and provides the Reserve Bank with a way to influence the level of economic activity and inflation. The OCR is a fairly conventional tool by international standards.

The OCR was introduced in March 1999 and the bank reviews it eight times a year. The bank issues monetary policy statements with the OCR announcement on four of these occasions. Unscheduled adjustments to the OCR may occur at other times in response to unexpected or sudden developments but, to date, this has occurred only once – following the 11 September 2001 attacks in the United States.

During 2006, the bank moved to a new liquidity management regime. Under the regime, the Reserve Bank sets no limit on the amount of cash it will borrow or lend at rates related to the OCR. The bank stands ready to lend cash overnight at 50 basis points above the OCR when secured over government liabilities in its overnight reverse repurchase facility. Overnight balances in exchange settlement accounts are remunerated at the OCR.

Each quarter, the bank publishes an assessment of economic conditions in its monetary policy statements. The statements contain projections that incorporate a forward path for interest rates that is consistent with achieving the inflation target. These projections are highly conditional, being based on a range of technical assumptions, but they serve to provide some indication of the bank's current thinking on the policy outlook.

Figure 26.02



(1) The five-year swap rate, which began in 1997, is often used by the market. (2) The five-year benchmark for New Zealand Government bonds with a fixed interest coupon paid semi-annually in arrears. The bonds are redeemable at par on maturity.

Source: Reserve Bank of New Zealand; Reuters

2010 – Football World Cup

Image removed due to copyright issues

In June and July 2010, football fans all over the planet were tuned in to one of the world's biggest sporting events – the 2010 FIFA World Cup South Africa™.

For the first time in over 25 years, New Zealand's team was among those taking part.

Before competition started, New Zealand Post released a silver proof, legal-tender coin to commemorate the event. The one-dollar denomination coin was designed in New Zealand and shows a footballer in front of fern fronds within a stylised koru pattern.

Each year New Zealand Post issues legal tender commemorative coins for collectors, on behalf of the Reserve Bank. These coins are usually pure – .999 gold or silver – and are produced in very small quantities compared with other countries.

All commemorative coins issued by New Zealand Post have a strong link to New Zealand's taonga (treasure), culture, heritage, arts, stories, and people.

Other coins issued in 2010 were: two heitiki coins, New Zealand's ancient reptiles, Maui's dolphin (as part of the annual endangered species series), and coins in the New Zealand icons series that show a kiwi with the Southern Cross.

Although the coins are legal tender, they do not circulate.

Source: New Zealand Post

Government securities market

The government sells three types of debt instruments to meet its financing requirements:

- Government bonds – are a medium-term instrument (typically with maturity of one to around 10 years), paying a fixed-coupon interest rate and aimed at the wholesale market (mainly institutional investors). Since September 1983, government bonds have been sold through regular, competitive tenders. There is a small amount of inflation index-linked stock outstanding but no new issues of index-linked stock have been undertaken in recent years.
- Treasury bills – are short-term wholesale debt instruments (usually with maturity of up to around 12 months). Since January 1985, bills have been sold through regular weekly tenders to meet the government's ongoing funding requirements. They are also used to meet the government's seasonal financing needs. Bills do not pay interest, but are sold (and subsequently traded) at a discount to their par (maturity) value, producing an effective yield for the holder.
- Kiwi Bonds – introduced in 1985, these bonds are aimed at retail investors. They are fixed-interest instruments issued on demand in six-month, one-year, and two-year maturities. On issue, Kiwi Bond interest rates are related to the current market yields on wholesale government bonds (of comparable maturities). They are transferable and may be sold by the holder to another party.

At 31 December 2009, the value of all government securities outstanding was \$42.0 billion, with \$33.2 billion of ordinary and index-linked stock, \$8.4 billion of Treasury bills, and \$359 million of Kiwi Bonds. (These figures exclude securities issued by state-owned enterprises.)

Table 26.06

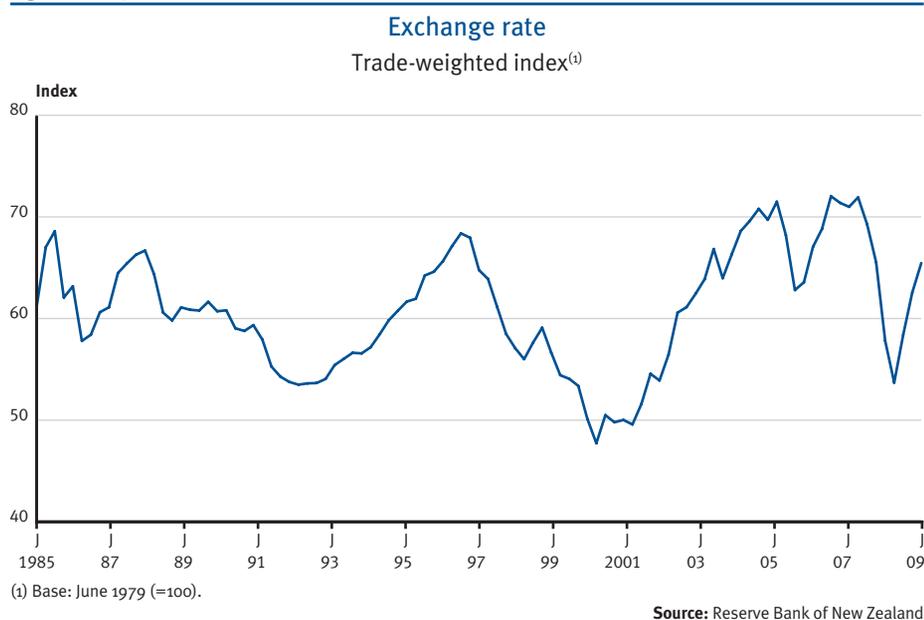
Foreign exchange rates								
Trade-weighted index (TWI) percentage change								
Month	USA mid-rate US\$/NZ\$ ⁽¹⁾	UK mid-rate stg/NZ\$ ⁽¹⁾	Australia mid-rate A\$/NZ\$ ⁽¹⁾	Japan mid-rate yen/NZ\$ ⁽¹⁾	Euro mid-rate euro/NZ\$ ⁽¹⁾	TWI base June 1979=100	TWI monthly % change	NZFMA – WM/Reuters fixing 14:00 ⁽²⁾
Dec								
1999	0.5085	0.3153	0.7943	52.18	0.5024	54.30	...	...
2000	0.4284	0.2932	0.7853	47.97	0.4785	49.58	...	...
2001	0.4157	0.2886	0.8080	52.80	0.4655	49.89	...	...
2002	0.5095	0.3214	0.9051	62.20	0.5005	57.69	...	...
2003	0.6466	0.3699	0.8758	69.74	0.5271	65.07	...	...
2004	0.7142	0.3702	0.9315	74.18	0.5337	69.01	...	...
2005	0.6961	0.3986	0.9368	82.68	0.5873	71.92	...	...
2006	0.6918	0.3523	0.8805	81.01	0.5237	68.04	...	...
2007	0.7686	0.3801	0.8811	86.26	0.5276	71.58	...	...
2008	0.5569	0.3735	0.8320	50.85	0.4146	55.11	...	0.5573
2009								
Jan	0.5526	0.3815	0.8154	49.96	0.4160	54.9	-0.5	0.5503
Feb	0.5151	0.3576	0.7938	47.64	0.4022	52.3	-4.6	0.5144
Mar	0.5308	0.3739	0.7979	51.85	0.4067	53.8	2.9	0.5308
Apr	0.5709	0.3882	0.8006	56.42	0.4323	56.9	5.6	0.5705
May	0.5989	0.3891	0.7855	57.92	0.4394	58.0	1.9	0.5983
Jun	0.6374	0.3894	0.7953	61.63	0.4550	60.3	4.1	0.6372
Jul	0.6437	0.3932	0.8011	60.82	0.4573	60.6	0.5	0.6436
Aug	0.6754	0.4082	0.8089	64.14	0.4736	62.9	3.7	0.6757
Sep	0.7024	0.4304	0.8166	64.29	0.4827	64.3	2.3	0.7025
Oct	0.7383	0.4566	0.8157	66.58	0.4986	66.5	3.4	0.7379
Nov	0.7309	0.4400	0.7943	65.26	0.4900	65.2	-1.9	0.7306
Dec	0.7162	0.4407	0.7929	64.15	0.4901	64.7	-0.9	0.7167

(1) All average exchange rates use representative 11.10am market mid-rates. (2) The 2pm reference rate for the New Zealand dollar, against the US dollar. The series began on 1 July 2008.

Symbol: ... not applicable

Source: Reserve Bank of New Zealand; Reuters; NZ Financial Markets Assn

Figure 26.03



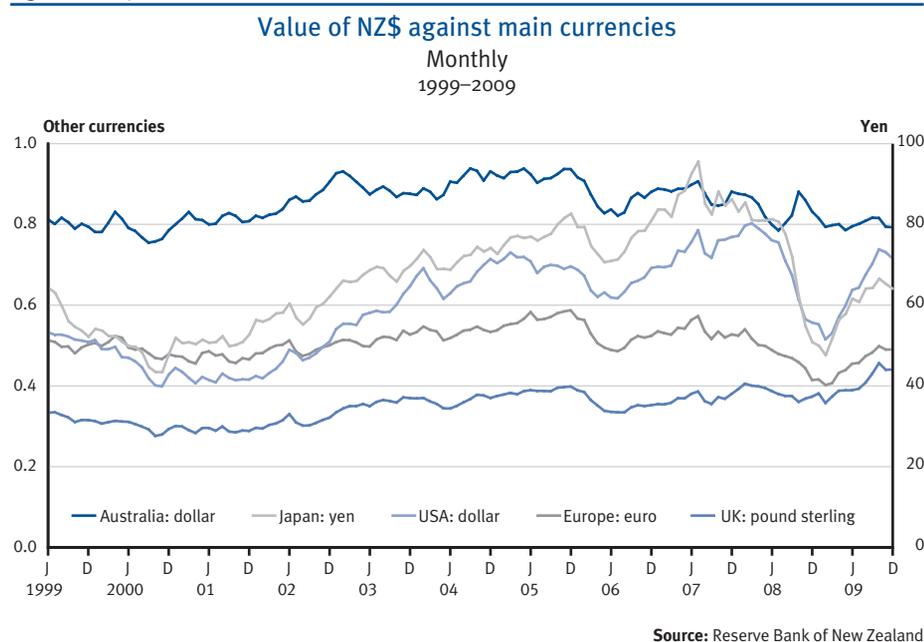
Foreign exchange

New Zealand has had a floating exchange rate since 1985. The value of the New Zealand dollar against other currencies is set solely by the market. However, the Reserve Bank retains the capacity to intervene in the foreign exchange market, either to counter disorderly conditions in that market or for monetary policy purposes.

Intervention would involve buying or selling New Zealand dollars in exchange for other currencies, with the aim of restoring a smoothly functioning private market. To maintain a capacity to do this, the Reserve Bank holds and manages the government's foreign exchange reserves that are invested in a diversified portfolio of liquid foreign currency assets of at least 2.45 billion in special drawing rights (about NZ\$6 billion).

Foreign intervention capacity at 31 December 2009 was NZ\$11.45 billion.

Figure 26.04



Contributors and related websites

New Zealand Bankers' Association – www.nzba.org.nz

New Zealand Post – www.nzpost.co.nz

Office of the Banking Ombudsman – www.bankomb.org.nz

Reserve Bank of New Zealand – www.rbnz.govt.nz

Statistics New Zealand – www.stats.govt.nz

The Treasury – www.treasury.govt.nz

Image removed due to copyright issues

The New Zealand Herald

Mount Te Aroha forms the backdrop to a Morrinsville Trotting Cup meeting. Any profits made on racing betting (horses and greyhounds) and sports betting must pay totalisator duty of 4 percent. In 2008/09, New Zealanders gambled \$269 million on racing and sports betting. Total spending on the main forms of gambling in New Zealand was \$2.028 billion in 2008/09.

27 | Public sector finance

Central government finance

The New Zealand public sector management system is concerned with, and seeks to bring together, both the financial and non-financial aspects of public sector performance. Each element of the system is intended to reinforce other elements, providing a comprehensive approach to implementing government strategy, facilitating high-quality decision making by management, and enabling effective scrutiny of the Government's financial performance by Parliament.

The system is designed to help the government translate strategy into action, promote informed decision making and accountability, and encourage state sector responsiveness and efficiency. This is achieved through: planning, decision making, and scrutiny processes that culminate in passing of the government's budget; incentives for efficient management; and reporting and feedback processes. The system emphasises expected performance within the control of managers, delegating authority to achieve high-quality performance, providing expected performance incentives, and measuring achievements in a timely and consistent manner.

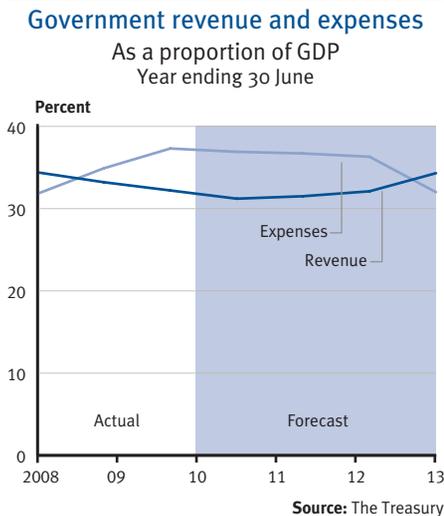
The system is continually examined and refined to meet new needs. A number of policy projects and pilots are underway to improve areas such as Crown entity governance and accountability, departmental accountability and reporting, public service senior leadership and management talent, collaboration among departments, and relationships with non-government organisations.

Roles and responsibilities

The State Sector Act 1988 sets out the general duties and responsibilities of public service chief executives, and the processes for their appointment and reappointment. Chief executives have contracts of up to five years, with tenure based on performance. They are recommended, appointed, employed, and reviewed by the independent state services commissioner, although Cabinet (operating through the governor-general in council) may veto the commissioner's appointment recommendation. As the legal employer of staff in their departments, public service chief executives have the power, within the bounds of general employment law, to hire and fire, set salaries, and negotiate conditions of employment.

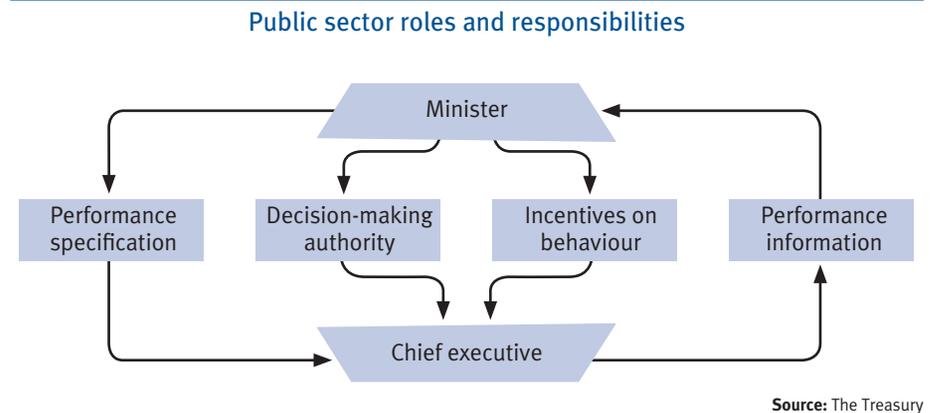
Cabinet ministers are formally responsible for specifying performance expectations of departments. Departmental chief executives are, in turn, responsible to relevant ministers for delivering expected services (sometimes referred to as the government's 'purchase' interest), and maintaining the department's ability to deliver these services effectively, efficiently, and economically (the 'ownership' interest). Services are firmly placed in the context of, and aimed at

Figure 27.01



achieving, government policy goals. For these purposes, chief executives are given appropriate managerial decision-making authority. There are incentives to perform, and performance information must be reported to monitor and assess operations. Figure 27.02 summarises this.

Figure 27.02



Purchase and ownership interests The government's interest in the performance of a department is twofold:

- as the owner, seeking efficient stewardship of its resources
- as the purchaser of services, provided directly to the government or to third parties.

This distinction is made in the annual performance agreements for chief executives. The government looks for a balance between strong, healthy departments, and value for money in their operations.

Budget 2010

The Government delivered its second budget on 20 May 2010. The main points included a reduction in income tax and an increase in goods and services tax (GST). The changes took effect on 1 October 2010.

The top income tax rate decreased from 38.0 percent to 33.0 percent, the 33.0 percent rate decreased to 30.0 percent, the 21.0 percent rate to 17.5 percent, and the 12.5 percent rate to 10.5 percent. The Government said 73.0 percent of income earners would have a top tax rate of 17.5 percent or less, and this would encourage people to work harder and save more.

The net result of the tax cuts and GST increase to 15.0 percent, was about \$2.80 extra a week for someone on \$20,000 a year, \$6.30 a week on \$30,000, about \$10 a week on \$40,000, \$13.70 a week on \$50,000, and \$20 a week on \$70,000.

Statistics New Zealand estimated the GST increase could raise the retail price of most goods and services by 2.2 percent. Some commentators had assumed that the price increase would be 2.5 percent.

Prices manager Chris Pike explained, "a product priced at \$100 excluding GST used to sell for \$112.50. With the GST increase to 15.0 percent, that product would retail for \$115, which is an increase of 2.2 percent, not 2.5 percent."

"However, not all goods and services in the CPI basket are subject to GST – housing rentals, school donations, and credit services are not. Those items make up about 9.0 percent of the CPI, so about 91.0 percent of the cost of the CPI basket is affected by the GST change. This means the increase in GST to 15.0 percent leads to a CPI increase of about 2.0 percent."

This assumes no price change for goods and services that are not subject to GST. However, all food items in the CPI are subject to GST, so the increase in food prices is about 2.2 percent, all other factors remaining equal.

Mr Pike stressed that these figures are based on the assumption that the new GST regime applies to goods and services in the way the pre-Budget arrangements applied.

"This is the situation if all other factors are unchanged, if retailers pass on all the GST increase to consumers, and it sets aside any indirect impact of other tax changes," he said.

The Government said compensation for the GST rise would be paid through an increase of about 2.0 percent in benefits, pensions, student allowances, and Working for Families tax credits.

One surprise announcement in the Budget was a cut in the company tax rate, from 30 percent to 28 percent from 1 April 2011. The Government said that it would give New Zealand companies a 'head start' on the Australian company tax rate, which will progressively drop to 28 cents, beginning in 2012.

Before 1 October 2010, New Zealanders paid more tax than Australians. From October 2010, New Zealanders pay less than Australians on income over \$55,000.

The tax cuts and compensation will cost \$17.8 billion over four years, but other tax measures to broaden the tax base are forecast to bring in \$16.7 billion over the same period. However, the Treasury says other economic factors would reduce the gap to \$415 million.

Other key points from Budget 2010 included:

- a change in rules around taxing investment properties that reduces landlords' and businesses' ability to claim depreciation on buildings
- a tighter definition of income for Working for Families eligibility that excludes investment and rental losses
- a 2 percent drop in the top tax rate for Kiwisaver and Portfolio Investment Entities, to 28 percent
- a 2 percent drop in the tax rate for other bank

accounts, life insurance, unit trusts, and superannuation funds

- Government to live within its \$1.1 billion annual operating allowance for new spending, with future increases being restricted to 2 percent annually
- \$1.8 billion is freed up over four years for other priorities – about \$449 million comes from early childhood funding cuts
- health receives \$512 million in 2010 and \$2.1 billion from 2010–13
- education receives \$417 million in 2010 and \$1.4 billion from 2010–13
- extra money for 1,735 more places at universities and 3,173 more at polytechnics
- an extra \$20 million to extend the Housing Innovation Fund for another year
- the Welcome Home Loan limit is extended from \$280,000 to \$350,000 for first home buyers in higher priced areas
- the ultra-fast Internet roll out receives \$200 million
- the rail sector receives \$500 million to electrify Auckland rail lines, and \$250 million to improve other rail stock and services
- an extra \$337.4 million to lift prison capacity
- Treasury predicts 174,000 new jobs will be created over four years and unemployment will fall to 4.6 percent in that period
- Treasury forecasts surpluses to return in 2016, instead of 2019 as forecast in Budget 2009.

More information about Budget 2010 is online (www.taxguide.govt.nz).

Source: The Treasury; Statistics New Zealand

Image removed due to copyright issues

The Dominion Post

Town crier Abe Naus greets visitor Desaree Tan to the annual open day at Parliament buildings in 2009. Every year the government must also open its books when publicly presenting the financial statements. These provide information on the government's assets and liabilities, revenue and expenses, and cash flows.

Setting objectives Within the public service, objective-setting focuses mainly on outputs, rather than inputs or outcomes. With this focus, chief executives are responsible for the delivery of services – rather than any ultimate consequences (outcomes) of that service delivery. Outputs are placed firmly in the context of government policy goals.

The budget process

The fiscal responsibility provisions of the Public Finance Act 1989 require clear formulation and reporting by the government on its fiscal policy objectives. Using generally accepted accounting practice (GAAP), the following principles have been formulated to define responsible fiscal management:

- debt should be reduced to prudent levels
- operating expenses should not exceed operating revenues over a reasonable period
- Crown net worth should be maintained at a sufficient level to counter adverse events
- fiscal risks facing the government should be managed prudently
- fiscal policies should be consistent, with predictable and stable tax rates.

As part of the budget process, the Minister of Finance must report on the government's long-term fiscal objectives and short-term fiscal intentions, and on the extent to which these are consistent with the above principles. They must provide justification for any inconsistencies.

The long-term fiscal objectives and short-term fiscal intentions are set out in the annual Fiscal Strategy Report presented with the budget. Changes to the objectives and/or intentions can be made in the Budget Policy Statement, which must be presented to Parliament by 31 March. The main purpose of the Budget Policy Statement is to state the broad strategic priorities by which the government will be guided in preparing the budget. In practice, the Budget Policy Statement is usually presented in the previous December, allowing debate to take place well before the budget is introduced.

The government maintains a baseline budget and projects policies forward four years. Baseline updates occur regularly as government makes adjustments to fit with strategic and fiscal objectives. Outside these budget update processes, amendments to the baseline are usually permitted only for fiscally-neutral adjustments, unavoidable or uncontrollable expenses, natural disasters or civil emergencies, recognition of existing liabilities, and capital investments supported by business plans and a sound business case.

The budget must be introduced to Parliament by the end of July and the associated appropriation legislation must be passed by the end of October.

Revised economic and fiscal forecasts are published half-yearly and immediately before a general election. These forecasts must be prepared on a GAAP basis and include a statement of specific fiscal risks, including contingent liabilities, which describe, and quantify if possible, all specific and general fiscal risks associated with the forecasts.

Accrual-based appropriations Parliament authorises expenditure of public money by ministers, departments, and offices of Parliament, through the appropriation process. Appropriations are made separately for expenses incurred on each class of outputs: benefits or other unrequited

New Zealand's foreign currency credit rating

Before 1983, New Zealand enjoyed a foreign currency credit rating of triple A, which was at the top of international agencies Moody's, and Standard and Poor's, rating scales. This put New Zealand in the same category as the United States, the United Kingdom, Japan, Germany, and France.

Deteriorating economic and fiscal conditions resulted in a series of downgrades over the next eight years to the point where New Zealand was at the bottom of the double A rankings from both agencies.

During 1994, and again in 1996, New Zealand's credit rating was upgraded by both agencies in recognition of the improving economic and fiscal position.

During the early part of 1998, Moody's became increasingly concerned about the balance of payments position and the effects of the Asian financial crisis. These concerns culminated in a downgrade to Aa2 in September 1998.

Standard and Poor's shared these concerns, but did not implement a downgrade, instead changing the outlook from stable to negative.

In March 2001, Standard and Poor's reviewed their rating and confirmed it as AA+ with a stable outlook, while in October 2002 Moody's upgraded its rating to Aaa.

Fitch Ratings first assigned a rating to New Zealand in March 2002 at AA. This was upgraded to AA+ in August 2003.

New Zealand's credit rating from the three major international rating agencies at December 2009 was as follows:

New Zealand's sovereign credit ratings At December 2009

Agency	Domestic currency rating	Foreign currency rating
Moody's	Aaa stable outlook	Aaa stable outlook
Standard & Poor's	AAA stable outlook	AA+ stable outlook
Fitch Ratings	AAA negative outlook	AA+ negative outlook

Note: Further information and a ratings history is online (www.nzdmo.govt.nz/sovereigncreditratings).

Source: The Treasury

New Zealand debt management

The New Zealand Debt Management Office (NZDMO) looks after the government borrowing programme. With a target of about \$10.5 billion for the 2009/10 financial year, it needs to raise about \$250 million a week.

The NZDMO issues long-term bonds for up to 10 years and Treasury bills, usually for three months and six months. The NZDMO also handles billions in foreign currency trading for government departments such as the Ministry of Defence, and Ministry of Foreign Affairs and Trade, and for the New Zealand Superannuation Fund.

Like many governments, New Zealand's has been borrowing much more since the 2008–09 global financial crisis. In the last six months of 2009, the Government borrowed almost \$7 billion through bond issues, compared with two years earlier when it borrowed just \$2 billion for the full year.

Foreign investors are attracted by high interest rates, the potential for currency gains on the New Zealand dollar, and a relatively strong credit rating. At January 2010, the NZDMO was well ahead of target on raising money and had plenty of cash in hand (about \$4 billion) to pay the Government's bills.

Investors bid for the bonds on the basis of interest rates they are willing to pay, with 15 registered banks acting as the middlemen. The lower the interest rate accepted the better for the government's borrowing costs. The NZDMO pays the money back when bonds mature, but over the life of the bonds, investors can buy and sell the bonds between themselves.

The attraction for international investment funds is the high interest rates for New Zealand bonds – about 6 percent for 10 years, slightly higher than for Australian bonds. United Kingdom, German, and United States bonds offer less than 4 percent.

For Japanese bonds, the return is just 1.3 percent. So the New Zealand interest rates are attractive for Japanese investors, who hold up to 20 percent of New Zealand's bonds. About 70 percent of the bonds are held by foreign investment funds such as pension funds, government investment funds, or central banks. The balance is held in New Zealand by big fund managers such as AMP.

Foreign investors are also investing in the strong dollar through buying the bonds. Investors tend to take a longer-term view on the currency and the NZDMO was confident there would not be a big bailout of bonds if the dollar fell in the second-half of 2010.

Source: The Treasury;
New Zealand Debt Management Office

expenses, borrowing expenses, other expenses, capital injections, the purchase or development of capital assets, and the repayment of debt. This gives Parliament control over: outputs purchased from departments and others; what size balance sheets it thinks are needed to produce those outputs; and what resources (that do not involve production of outputs) it wants transferred among different groups in the community.

Charging for capital A common weakness in government financial management systems is the incentive for budget maximisation and for accumulating assets of low utility. To counter this, the government charges departments for the capital they use.

Cost allocations Focusing on outputs requires cost accounting systems that allocate costs, including the capital charge, to those outputs. Costs can then be compared with similar costs incurred by other suppliers, both in the public and private sectors. These costing systems help ministers reprioritise and choose the appropriate mix of outputs to achieve desired outcomes. The systems also identify opportunities to improve output performance and to facilitate cost recovery where there are recognisable recipients of the service or output.

Cash management Before the start of every year, each department negotiates with the Treasury a profile of cash payments to the department during the year (updated as needs change). The Treasury operates a central cash management system that sweeps all departmental bank accounts each night and invests spare funds in the overnight money market.

Table 27.01 shows actual government expenses for the year ending June 2008 and 2009 using GAAP, and forecasts for 2010–13.

Table 27.01

Expenses	Government expenses ⁽¹⁾					
	Actual		Forecast			
	2008	2009	2010	2011	2012	2013
	\$(million)					
Crown						
Depreciation and amortisation	3,670	4,305	4,126	4,365	4,529	4,617
Future new spending	..	..	254	1,436	2,533	3,622
Insurance	3,563	3,882	3,890	4,225	4,587	4,931
Interest	3,101	3,492	3,349	4,019	4,625	5,460
Operating	30,656	34,116	34,855	35,057	35,330	36,208
Personnel	16,478	18,064	18,324	18,661	18,995	19,189
Social and official development assistance	18,374	19,962	21,175	22,196	22,987	23,658
Top-down adjustment	..	..	(300)	(225)	(150)	(150)
Total Crown	75,842	83,821	85,673	89,754	93,436	97,535
Social and official development assistance						
Social assistance grants						
Domestic purposes benefit	1,478	1,530	1,647	1,711	1,759	1,786
Family tax credit	1,897	2,062	2,158	2,191	2,204	2,298
New Zealand Superannuation	7,348	7,744	8,246	8,665	9,186	9,666
Official development assistance	362	458	461	486	510	559
Other social assistance grants	5,343	5,857	6,204	6,465	6,616	6,692
Other transfer payments						
KiwiSaver subsidies	1,102	1,281	919	940	956	982
Student allowances	386	444	462	470	473	470
Unemployment benefit	458	586	1,078	1,268	1,283	1,205
Total subsidies and transfers	18,374	19,962	21,175	22,196	22,987	23,658
Personnel						
Core Crown	5,584	6,037	5,924	5,996	6,055	6,142
Crown entities	8,741	9,592	9,902	10,069	10,270	10,298
State-owned enterprises	2,164	2,447	2,501	2,619	2,673	2,752
Inter-segment eliminations	(11)	(12)	(3)	(3)	(3)	(3)
Total personnel	16,478	18,064	18,324	18,681	18,995	19,189
Depreciation, impairment, and amortisation						
Depreciation on physical assets	3,074	3,440	3,548	3,800	3,943	4,043
Impairment on goodwill	..	..	2	2	2	2
Impairment on physical assets	..	..	..	..	..	..
Amortisation and impairment on intangible assets	596	865	576	563	584	572
Total depreciation, amortisation, and impairment on intangible assets	3,670	4,305	4,126	4,365	4,529	4,617
Other operating expenses						
Grants	3,189	3,476	4,095	3,863	4,417	3,981
Impairment on financial assets	1,189	2,777	1,252	1,291	1,344	1,396
Inventory expensed during period	300	486	248	259	270	272
Lottery prize payments	432	504	434	461	488	515
Other operating costs	24,035	24,252	27,082	27,364	26,944	28,118
Rental and leasing costs	952	1,175	1,166	1,213	1,248	1,295
Retail deposit guarantee scheme – expenses and provision	..	816	..	..	..	..
Write-down on initial recognition of loans	559	630	578	606	619	631
Total other operating expenses	30,656	34,116	34,855	35,057	35,330	36,208

(1) Format amended from Yearbook 2008.

Note: GAAP is generally accepted accounting practice.

Symbol: .. figure not available

Source: The Treasury

Parliamentary scrutiny

Parliament's scrutiny of government financial performance involves the budget, and several reporting events through the year. Budget documents incorporate:

- the government's budget speech and fiscal strategy for the medium term (10 years)
- an economic and fiscal outlook, including the government's forecast financial statements
- estimates of the appropriations ministers seek from Parliament
- statements of intent for each government department.

Progress against the budget is reported monthly from the end of the first quarter. These reports are prepared on a GAAP basis, consistent with the forecasts, and must be published within six weeks of the end of the month. Annual financial statements must be prepared and audited within three months. Parliament and its committees scrutinise financial management of the executive, comparing actual performance with planned performance, in three ways:

- scrutiny of the government's intentions for the current year, as expressed in its budget proposals, and scrutiny of its actual performance, reported in the financial statements of the government
- examination of the actual performance of departments, as reported in their annual reports and financial statements, compared with plans laid a year earlier
- examination of the performance of state-owned enterprises and other non-departmental government entities.

Line-by-line consolidation of Crown financial statements

Changes to accounting standards introduced from Budget 2002 meant changes to the way Crown financial statements are prepared. The changes were required for consistency with GAAP and did not affect fiscal policy. Crown financial statements now record the revenues, expenses, assets, and liabilities of all Crown-controlled entities (eg departments, state-owned enterprises, and Crown entities) except tertiary educational institutions. Previously, only the net surplus, net investment, and net worth of state-owned enterprises and Crown entities were recorded. Goods and services tax (GST) on Crown expenses has also been removed. Net worth and the operating balance are largely unaffected.

The Crown publishes fully consolidated ('total Crown') accounts as described above, but splits out 'core Crown' information. Core Crown revenues and expenses are similar to the previous presentation of the accounts, except that they remove GST on Crown expenses.

This change results in some of the historical data contained in this yearbook being restated from data in previous yearbooks. This is because, where possible, historical data has been recast to be consistent with current treatment.

Image removed due to copyright issues

The Dominion Post

Philip Combes, treasurer of the New Zealand Debt Management Office, is in charge of keeping the government finances buoyant, and he needs to raise about \$250 million a week to do it. The office is responsible for managing the government's debt, overall net cash flows, and some of its interest-bearing assets within an appropriate risk-management framework.

New Zealand international accounting standards

The financial statements of the government must be prepared in accordance with New Zealand International Financial Reporting Standards, adopted in 2007. This means some data in tables in this chapter is not comparable with historical data published in previous yearbooks.

External reporting

The Financial Statements of the New Zealand Government include the following key statements: financial performance; financial position; movements in equity; cash flows; borrowings; commitments; contingent liabilities; and unappropriated expenditure, expenses, or liabilities.

Departmental financial statements contain the same key statements, as well as a statement of objectives and a statement of service performance. An important feature of the New Zealand financial management system is the publication of financial statements for the whole of government, with an audit opinion attached, within three months of the end of the financial year. Very few countries account for government operations under accrual accounting rules.

Valuation problems are generally dealt with in conventional and pragmatic ways that provide a good estimate of net current value by using a realisable value, or a depreciated replacement cost approach. The underlying information systems provide new and superior information to the national statistical data collection for the System of National Accounts. The balance sheet can also indicate movements in net worth caused by the relationship between capital consumption and new investment. It can provide an indicator of whether the government is running down its estate to maintain current consumption.

In a real economic sense, the government's ability to tax its citizens provides guaranteed revenue that is not available to a private sector company. This power is comparable with mutual or cooperative organisations that levy their members. However, the levy is not treated as an asset, as members want to know the financial position of the organisation before the power to levy is exercised. Also, it is impossible to value this 'asset' with sufficient reliability. Any attempt to do so would drown other information in the balance sheet.

Table 27.02

Statement of financial performance						
Year ending 30 June						
	Actual		Forecast			
	2008	2009	2010	2011	2012	2013
Revenue/expenses	\$(million)					
Crown revenue						
Taxation	56,372	54,145	51,052	51,326	54,013	57,781
Other sovereign revenue	3,879	4,118	4,860	5,403	5,700	6,299
Total levied through the Crown's sovereign power	60,251	58,263	55,912	56,729	59,713	64,080
Sales of goods and services	15,399	15,356	16,049	17,415	17,742	18,377
Interest revenue and dividends	3,214	3,419	3,159	3,331	3,363	3,442
Other	2,615	2,890	2,814	3,014	3,035	3,213
Total earned through Crown operations	21,228	21,665	22,022	23,760	24,140	25,032
Total revenue	81,479	79,928	77,934	80,489	83,853	89,112
Crown expenses						
Social security and welfare	21,509	23,273	25,073	26,409	27,604	28,607
Government superannuation fund	690	655	370	390	437	494
Health	10,809	12,042	12,815	12,754	12,713	12,692
Education	10,397	12,465	12,147	12,198	12,237	12,290
Core government services	3,274	5,137	3,582	3,602	3,656	3,733
Law and order	3,082	3,250	3,515	3,549	3,565	3,588
Defence	1,525	1,712	1,761	1,757	1,746	1,744
Transport and communications	7,424	9,023	8,868	9,178	9,240	9,485
Economic and industrial services	9,038	7,695	8,246	8,811	8,884	8,969
Primary services	1,459	1,487	1,510	1,452	1,465	1,473
Heritage, culture, and recreation	2,337	2,397	2,806	3,031	2,967	4,060
Housing and community development	938	1,075	1,115	1,146	1,175	1,184
Other	259	118	562	247	739	284
Finance	3,101	3,492	3,349	4,019	4,625	5,460
Net foreign-exchange gains (losses)	..	..	..	..	..	..
Future new spending	..	0	254	1,436	2,533	3,622
Top-down adjustment	..	..	(300)	(225)	(150)	(150)
Total expenses	75,842	83,821	85,673	89,754	93,436	97,535
Operating balance before gains (losses)	5,637	(3,893)	(7,739)	(9,265)	(9,583)	(8,423)
Net gains (losses) on financial instruments	(617)	(2,634)	1,416	1,529	1,838	2,044
Net gains (losses) on non-financial instruments	(2,925)	(4,167)	205	224	231	225
Net surplus (deficit) from associates and joint ventures	334	212	390	402	400	382
Gain (loss) from discounted operations	22	2	(1)	(1)	(1)	(1)
Operating balance from continuing activities	2,451	(10,480)	(5,729)	(7,111)	(7,115)	(5,773)
Operating balance attributable to minority interest	(67)	(25)	..	..	..	..
Operating balance	2,384	(10,505)	(5,729)	(7,111)	(7,115)	(5,773)

Symbol: .. figure not available

Source: The Treasury

On the liabilities side, the value of future social welfare obligations is a similarly large item over which the government has significant discretion, and which is very difficult to quantify.

Figure 27.03 shows operating balances and forecasts. Table 27.02 shows the Government's statement of financial performance and forecasts. Table 27.03 shows the Government's statement of financial position and forecasts, and table 27.04 shows the Government's statement of cash flows and forecasts.

Table 27.03

Statement of financial position						
At 30 June						
	Actual		Forecast			
	2008	2009	2010	2011	2012	2013
\$(million)						
Assets						
Cash and bank balances	3,804	6,268	5,042	5,045	5,370	5,107
Marketable securities, deposits, and equity investments	41,189	45,708	49,683	49,010	46,439	45,151
Advances	12,948	15,604	17,268	18,905	19,502	20,124
Receivables	14,158	14,619	14,093	14,018	14,029	14,439
Inventories	964	1,082	1,165	1,248	1,262	1,265
Share investments	12,964	11,160	12,184	13,544	15,170	17,232
Prepayments and other assets	1,663	1,630	1,519	1,490	1,478	1,438
Property, plant, and equipment	103,329	110,135	110,251	113,517	115,764	118,486
Equity accounted investments (including TEI ⁽ⁱ⁾)	8,065	8,777	9,197	9,532	9,729	9,686
Intangible assets (including goodwill)	1,751	2,168	2,133	2,281	2,333	2,239
Forecast new capital spending	..	..	72	774	1,926	3,376
Top-down capital adjustment	..	..	(375)	(375)	(375)	(375)
Total assets	200,835	217,151	222,232	228,989	232,627	238,168
Liabilities						
Deferred revenue	1,292	1,426	1,213	1,223	1,233	1,239
Defined benefit retirement plan	8,257	8,993	10,307	10,063	9,850	9,693
Insurance	20,484	26,567	25,345	26,662	28,211	29,950
Issued currency	3,530	4,005	4,220	4,410	4,610	4,819
Other borrowings	46,110	61,953	76,423	88,656	97,420	106,621
Payables	10,895	9,139	10,296	10,672	11,313	11,405
Provisions	4,753	5,553	4,479	4,491	4,296	4,549
Settlement deposits with the Reserve Bank	..	..	..	..	..	..
Total liabilities	95,321	117,636	132,283	146,177	156,933	168,276
Total assets less total liabilities	105,514	99,515	89,949	82,812	75,694	69,892
Net worth						
Taxpayer funds	46,700	36,382	31,803	24,689	17,577	11,805
Revaluation reserve	58,566	62,612	57,723	57,722	57,721	57,720
Cash flow hedge reserve	(134)	74	41	19	14	(15)
Financial asset reserve available for sale	..	..	..	..	..	..
Foreign exchange translation reserve	..	..	..	..	..	..
Total net worth attributable to the Crown	105,132	99,068	89,567	82,430	75,312	69,510
Net worth attributable to minority interest	382	447	382	382	382	382
Total net worth	105,514	99,515	89,949	82,812	75,694	69,892

(i) Tertiary education institutions.

Symbol: .. figure not available

Source: The Treasury

Table 27.04

Statement of cash flows						
Year ending 30 June						
	Actual		Forecast			
	2008	2009	2010	2011	2012	2013
\$(million)						
Revenue/expenses						
Cash flows from operations						
Cash provided from						
Tax receipts	55,168	51,119	50,268	50,791	53,223	56,647
Other sovereign receipts	3,460	3,716	4,290	4,446	4,550	4,660
Interest and dividend	3,111	2,792	16,472	17,825	18,244	18,898
Sales of goods and services	14,635	16,592	2,697	2,788	2,764	2,776
Other operating receipts	2,211	2,204	2,734	2,659	2,657	2,832
Total cash from operations	78,585	76,423	76,461	78,509	81,438	85,813
Cash disbursed to						
Subsidies and transfer payments	18,026	19,673	21,159	22,095	22,756	24,382
Personnel and operating payments	45,972	50,391	54,128	55,094	55,308	55,236
Interest expenses	2,820	2,880	3,042	3,676	4,389	5,232
Forecast for new spending	..	..	254	1,436	2,533	3,622
Top-down cash adjustment	..	..	(300)	(225)	(150)	(150)
Total cash to operations	66,818	72,944	78,283	82,076	84,836	88,322
Net cash flows from operations	11,767	3,479	(1,822)	(3,567)	(3,398)	(2,509)

Note: For symbol see end of table.

table continued overleaf

Figure 27.03

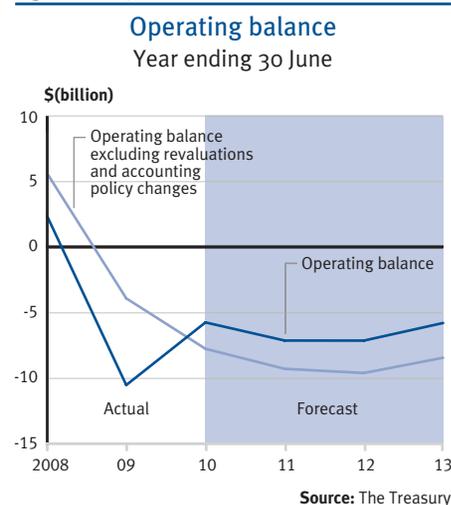


Table 27.04 continued

Statement of cash flows						
Year ending 30 June						
	Actual		Forecast			
	2008	2009	2010	2011	2012	2013
Revenue/expenses						
Net cash flows from investing activities						
Sale/(purchase) of share investments & other securities	(6,080)	(1,648)	3,887	797	3,920	2,645
Sale/(purchase) of physical assets	(4,922)	(5,437)	(7,679)	(7,009)	(5,772)	(6,167)
Sale/(purchase) of intangible assets	(320)	(433)	(350)	(290)	(284)	(284)
Repayment/(issue) of advances	(2,646)	(1,129)	(651)	(695)	(1,118)	(1,381)
Disposal/(acquisition) of investment in associates	(363)	(399)	(46)	52	67	67
Crown acquisition of Toll NZ Ltd	..	(690)	..	..	..	..
Forecast for new capital spending	..	..	(72)	(702)	(1,152)	(1,450)
Top-down capital adjustment	..	..	100	..	..	..
Net cash flows from investing activities	(14,331)	(9,736)	(4,811)	(7,847)	(4,339)	(6,570)
Net cash flows from operating & investing activities	(2,564)	(6,257)	(6,633)	(11,414)	(7,737)	(9,079)
Net cash flows from financing activities						
Cash was provided from						
Issue of circulating currency	86	475	181	190	200	210
Issue/(repayment) of government stock	1,674	2,344	3,870	10,542	7,538	7,125
Issue/(repayment) of other New Zealand-dollar borrowing	1,099	(1,836)	(3,708)	35	(1,020)	(506)
Repayment/(issue) of other New Zealand-dollar borrowing	(697)	7,752	5,968	639	1,333	1,976
Net cash flows from financing activities	2,162	8,735	6,311	11,406	8,051	8,805
Net increase/(decrease) in cash and cash equivalents	(402)	2,478	(322)	(8)	314	(274)
Opening cash equivalents	4,162	3,804	5,353	5,042	5,045	5,370
Foreign-exchange gain on opening cash	44	(14)	11	11	11	11
Closing cash balance	3,804	6,268	5,042	5,045	5,370	5,107

Symbol: .. figure not available

Source: The Treasury

Taxation

The New Zealand tax year is from 1 April to 31 March. Inland Revenue administers three principal acts: the Income Tax Act 2007, the Tax Administration Act 1994, and the Goods and Services Tax Act 1985.

Taxation changes were made in the 2010 Budget (see www.taxguide.govt.nz).

Individuals

The New Zealand Government deducts taxes at income source, with a graduated-scale, pay-as-you-earn (PAYE) tax deducted from salaries and wages, and tax on schedular payments (formerly withholding tax) deducted from various other specified categories of income.

The tax system has been simplified for most individual taxpayers – those who earn income solely from salary, wages, dividends, and interest – by removing the requirement to file annual income tax returns. In certain circumstances, taxpayers receive a personal tax summary showing whether they have tax to pay or will receive a refund. Taxpayers can request a personal tax summary.

The PAYE system requires employers to provide Inland Revenue with a monthly schedule detailing each employee's salary or wage income, PAYE deducted, and other information, such as student loan, child support, or KiwiSaver deductions.

Tax rates

Income tax is deducted under the Income Tax Act 2007 and is charged on most income, including business profits, employment income, royalties, interest, dividends, and pensions. The tax rates used for assessment are based on annual income.

Rates of income tax for individual taxpayers in the 2009/10 tax year were:

- income up to and including \$14,000 – 12.5 cents for every dollar of taxable income
- income between \$14,001 and \$48,000 – 21 cents for every dollar of taxable income
- income between \$48,001 and \$70,000 – 33 cents for every dollar of taxable income
- income over \$70,001 – 38 cents for every dollar of taxable income.

Resident withholding tax

Resident withholding tax (RWT) is the amount of tax deducted from any interest earned on investment income. For example, when banks pay interest, they deduct RWT before paying the recipient.

Image removed due to copyright issues

Otago Daily Times

Amber McLean watches her children Kahu and Nuku play at their Dunedin home. Working for Families tax credits are paid to families with children aged 18 years or under, to help with the cost of raising a family.

Individual taxpayers receiving interest can elect to have RWT deducted at a rate of 19.5 percent, 33 percent, or 39 percent (or 38 percent if offered by their interest payer from 1 April 2009 onwards). A flat RWT rate of 33 percent applies to companies and dividends.

If the recipient does not provide the interest payer with their IRD number, a no-notification rate of 39 percent applies (or 38 percent if offered by their interest payer from 1 April 2009 onwards). Certain recipients of interest or dividends (such as charitable or non-profit organisations, sports clubs, and others) may apply for an exemption from RWT.

Imputation credits

Dividends received from a New Zealand company may have imputation credits and/or foreign dividend payment credits attached. These credits avoid the double payment of tax (by the company and its shareholders) on the same income.

Foreign dividend payment credits arise when a New Zealand company has made foreign dividend payments on foreign dividends received. However, new international tax rules enacted on 6 October 2009 remove the requirement to pay foreign dividend payments on foreign dividends received. The new rules applied from the beginning of the 2010 income year for all entities with balance dates between 30 June and 30 September (inclusive), and from the beginning of the 2011 income year for all other entities. Therefore, legislation will phase out foreign dividend payment credits over a transitional period.

The imputation system integrates personal and business tax, for company income distributed as dividends, by allowing the benefit for tax paid by a company to be passed on to its shareholders. That is, allowing shareholders to avoid the double payment of tax.

Since April 2003, eligible Australian companies can elect to be a New Zealand imputation credit account company; since October 2003, New Zealand shareholders in these Australian companies are able to claim imputation credits allocated for their share of New Zealand tax paid by the company.

Tax credits

Tax credits reduce the amount of tax an individual needs to pay. Inland Revenue administers several types of tax credits for personal taxpayers. These include:

- independent earner tax credit – for low-income New Zealand-resident taxpayers
- redundancy tax credit – a tax credit to make taxing redundancy payments fairer to people who are pushed into a higher tax bracket when they receive the lump sum payment
- donations, childcare, and housekeeper tax credits – for working parents who pay for childcare, for disabled people who pay for help with childcare or housekeeping, or for charitable donations
- tax credit for income under \$9,880
- tax credit for children.

Tobacco tax increases

In April 2010, the Government passed a bill increasing the tobacco excise tax in three steps over two years. The excise on cigarettes rose immediately by 10 percent, with further 10 percent increases in January 2011 and January 2012.

There was also a 25.4 percent increase in the excise tax on loose tobacco, to be followed by 10 percent increases in 2011 and 2012. However, duty-free tobacco product entitlements for passengers entering New Zealand were unaffected.

Where the tax increase is passed on by tobacco companies, the cost of a typical pack of 25 cigarettes rises immediately from \$13.30 to about \$14.40. By 2012, a pack is expected to cost about \$17.00. The cost of a typical 30 gram pouch of tobacco increased overnight from \$21.30 to about \$25.50, and will cost about \$29.80 by 2012.

The Government decided to phase in the tax increases because it was concerned about the financial impact on low income households where smokers struggle to immediately cut down or quit. The changes will net the Government an estimated extra \$205 million in tax revenue when fully implemented by 2012.

The Ministry of Health says that tobacco smoking is the leading cause of preventable death in New Zealand, and is directly linked to about 5,000 deaths each year, approximately 400 of which are attributed to second-hand smoke exposure. On average, non-smokers live about 15 years longer than long-term smokers.

The social costs of smoking have been estimated at 62,800 life years lost to tobacco-related premature deaths, and 19,000 quality adjusted life-years lost to tobacco-related illness. The total cost of smoking to the health system is currently estimated by the Ministry of Health to be at least \$1.9 billion a year out of the total health budget of around \$12 billion.

The Royal New Zealand College of General Practitioners (RNZCGP) called for a tobacco tax increase in a recent letter to the Prime Minister and in a submission to the Māori Affairs Select Committee inquiry into the consequences of tobacco use for Māori.

"There is evidence that those who spend a higher proportion of their income on tobacco are most likely to reduce their tobacco use after a price increase," RNZCGP President Harry Pert said.

"While there are concerns that a tax increase will hit low income earners, and in particular Māori and Pacific smokers hardest, after consulting with our members and reviewing the evidence we believe that short-term hardships are far outweighed by long-term health gains from expected reduced smoking."

Associate Minister of Health Tariana Turia also backed the tax increase. "The move will put the price of cigarettes and roll-your-own tobacco up enough to save hundreds of lives," she said.

"It forces people to cut back, but more importantly it provides a strong incentive for smokers to quit and helps dissuade young people from ever starting to smoke."

Mrs Turia said the changes represented a huge investment in the future of the country.

Source: Ministry of Health

Company taxation

Company taxation is deducted under the Income Tax Act 2004. (Income Tax Act 2007 for income earned during the 2008/09 and subsequent tax years.) The company rate of taxation differs from that of individuals, in that a company does not get any of the exemptions, rebates, or tax credits that individuals are entitled to, and a flat tax rate applies.

From the 2008/09 income year, the company tax rate was reduced from 33 percent to 30 percent. In the Budget delivered on 20 May 2010, it was announced that the company tax rate would be reduced to 28 percent from 1 April 2011.

Certain companies can get a rebate for gifts of money to charitable organisations, but there is a threshold to the amount they can claim.

Company taxation in the year ending 30 June 2009 produced \$8.294 billion.

A company resident in New Zealand is assessable on all income, whether earned in New Zealand or elsewhere. A company is a New Zealand resident if one or more of the following applies:

- it is incorporated in New Zealand
- its head office is in New Zealand
- its centre of management is in New Zealand
- control of the company by its directors is exercised in New Zealand.

Companies that maintain imputation accounts receive a tax credit when they pay tax on their taxable income, and these credits are attached to dividends paid to shareholders. A company not resident in New Zealand is liable for tax only on income earned in New Zealand.

Non-resident companies are taxed at 30 cents in the dollar for any activity they conduct in New Zealand. For most non-residents who simply earn interest or dividend income, non-resident withholding tax is the final New Zealand tax on that income.

Fringe benefit tax

Fringe benefit tax (FBT) is a tax on certain non-monetary benefits employees receive from their employer as part of their employment; for example, a company car. It is payable at the rate of 61 percent (from 1 April 2009 onwards). However, employers have the option of using the alternate-rate calculation process, which reflects the remuneration level of those employees receiving benefits. FBT is payable by the employer on an annual, income year, or quarterly basis.

Taxable fringe benefits include private use of a motor vehicle by an employee; low-interest loans; free, subsidised, or discounted transport and other goods and services; and the employer's contribution to accident, sickness, or death benefit fund and insurance policies.

Total FBT collected in the year ending 30 June 2009 was \$500 million.

Goods and services tax

Goods and services tax (GST) is a value-added tax charged on most goods and services provided in New Zealand. GST was introduced at a rate of 10 percent in 1986 and increased to 12.5 percent in 1989. In Budget 2010, the Government announced an increase in GST to 15 percent, which took effect on 1 October 2010.

All companies and individual traders, or anyone conducting a taxable activity, with an annual turnover of \$60,000 or more must register for GST.

People registered for GST must charge GST on the goods and services they supply. GST-registered suppliers pay GST on purchases made and expenses incurred in the course of their business, but may claim it back later. Registered people must pay the GST they have collected, less that on their purchases, to Inland Revenue.

Some activities, such as salaries and wages, hobby activities, and private sales of personal and domestic items, are not taxable supplies. GST is not charged on exempt supplies. Exempt supplies include residential property rentals, the sale of donated goods, and services by non-profit organisations.

Total GST collected in the year ending 30 June 2009 was \$10.05 billion.

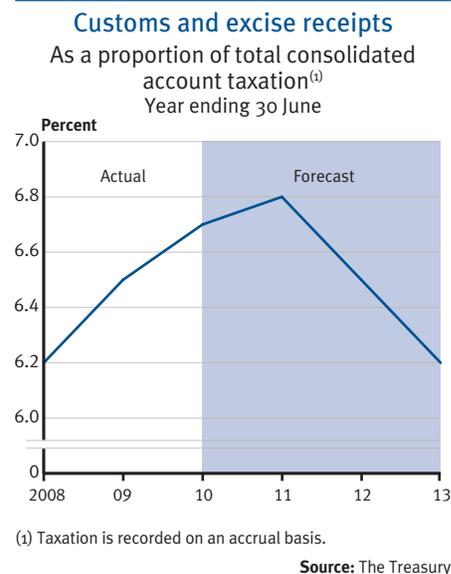
Excise duty

The Customs and Excise Act 1996 provides for the imposition of excise duty on alcoholic beverages, tobacco products, super and regular grade petroleum, liquefied petroleum gas, and compressed natural gas (when compressed by a natural gas fuelling facility for use as a motor vehicle fuel).

Similarly, excise-equivalent duty is levied on the same goods when they are imported into New Zealand.

Image removed due to copyright issues

Figure 27.04



Otago Daily Times

Home brew aficionado Richard Pettinger pours one of the first glasses of a bitter beer he brewed using hops grown in the garden of St Kilda woman Sue Collins. The Government is expected to increase the excise tax on alcohol in the future, something that home brewers avoid.

The excise regime is dependent on the licensing of areas within which excisable goods may be manufactured or stored, and within which customs powers may be exercised. These customs-controlled areas – including manufacturing areas, off-site storage areas, export warehouses, and duty-free shops – may be licensed for the purpose of:

- the manufacture of excisable goods (eg breweries, wineries, tobacco manufacturing plants, distilleries, petrol refineries)
- the deposit, keeping, or securing of imported goods, without payment of duty on the goods, pending export of those goods (eg ships' provedores)
- storage by, or for, the manufacturer or the first owner of wine manufactured in New Zealand, where the wine cannot physically be accommodated within the area in which it was manufactured (ie off-site storage of wine)
- storage of imported goods, or goods manufactured in a manufacturing area, of a kind that are subject to duty and on which duty has not been paid, pending the sale of those goods to people departing to, or arriving from, a country outside New Zealand, or to people who are entitled to the supply of goods free of duty. These premises are usually duty-free shops.

Excise duty must be paid when the excisable product is removed from the place of manufacture or, in the case of wine, from the off-site storage area, other than to an export warehouse or to another customs-controlled area for further manufacture. Liability for excise-equivalent duty is triggered by importation of the goods.

Excise-equivalent duty must be paid in accordance with the customs-deferred payment system, or before the goods are delivered from customs control.

Rates of excise duty and excise-equivalent duty are contained in the third schedule to the Act. The legislation provides discretionary authority for the government to apply increases to the rates of excise and excise-equivalent duties on alcoholic beverages and tobacco products, to fit with movement in the consumers price index.

Adjustments may be made to alcoholic beverage rates on 1 July of any year, and to rates of duty on tobacco products on 1 January in any year. Excise-equivalent duty rates are similarly adjusted.

Similar provision exists for the rates of excise and excise-equivalent duty on petroleum, with adjustments to fit with movement in the consumers price index able to be applied on 1 April of any year.

Figure 27.04 shows the projected customs and excise receipts for the years ending June 2008 to 2013 as a proportion of consolidated account taxation. These are based on the Budget released on 28 May 2009.

Give as you earn

Image removed due to copyright issues

The Dominion Post

Isla Gilby is in a race against time to learn how to speak naturally, with cochlear hearing implants, before she turns five. The phone company 2degrees was one of the first to join the payroll giving scheme and chose to donate to The Hearing House, where Isla receives speech therapy.

Payroll giving is a voluntary scheme that allows employees to make donations to charities directly from their pay. The scheme is an initiative to recognise, support, and promote growth in New Zealand's culture of giving.

Employers can choose whether to offer payroll giving in the workplace. Employees have a choice too – they may want to participate, but they don't have to.

Donations made through payroll giving must go to approved 'donee' organisations.

Employees who take part receive a tax credit at the time they make the donation. Tax credits for donations not made using payroll giving are claimed at the end of the tax year.

Only employers who file their employer/employee information to Inland Revenue electronically can offer payroll giving to their employees.

Employers who offer payroll giving need to:

- deduct the requested donation amount from the individual employee's salary or wage
- calculate the correct tax credits for payroll donations for each donation made
- record the tax credits for individual employees on their employer monthly schedule
- keep records of all tax credits for payroll donations, donation amounts, donee organisations, and payment dates
- pass the donations to the chosen organisations within the specified timeframe
- advise the donee organisation that the donation is a result of payroll giving.

For every dollar an employee donates directly from their pay they receive one-third back as a tax credit in the same pay period.

Employers decide how payroll giving will run in the workplace. For example, employees may be offered one or two donee organisations to support through payroll giving. Or individual employees may be able to choose any approved donee organisation.

Organisations wanting to receive donations from payroll giving must be registered as a donee organisation with Inland Revenue. In 2007, more than 1.2 million people made regular charity donations. Almost 800,000 of them were in paid employment.

Source: Inland Revenue

Image removed due to copyright issues

The Dominion Post

Lloyd Robinson from Mitsubishi Motors demonstrates how to use the recharging plug on a prototype electric car in Wellington. From 1 October 2009, excise and excise-equivalent duty on petrol increased by three cents, to 45.5 cents per litre, a 7 percent increase on the previous rate.

Fuel excise and road user charges

Excise and excise-equivalent duty is paid on all purchases of petrol, liquid petroleum gas (LPG), and compressed natural gas (CNG), and is incorporated into the pump price of fuel on a per-litre basis.

The Road User Charges Act 1977 requires users of vehicles powered by diesel, or weighing over 3.5 tonnes, to purchase a road user charge licence, depending on the gross weight of the vehicle and the distance to be travelled. Road user charges are based on the wear and tear that a vehicle causes to the land transport network.

The cost for a road user charge licence varies, depending on the number of axles, the number of wheels, and the weight of the vehicle.

Revenue collected from excise and excise-equivalent duty and road user charges, is fully dedicated to the National Land Transport Fund. The fund contributes to the maintenance and construction of New Zealand's land transport network, alternatives to roading such as public transport, administration, traffic enforcement, and road safety education and publicity.

From 1 October 2009, excise and excise-equivalent duty on petrol increased by three cents to 45.5 cents per litre, a 7 percent increase on the previous rate. Road user charges also increased by an average of 7 percent, though the exact increases differ based on the type and weight of vehicles. The duty on LPG and CNG remained at 10.4 cents and 10.5 cents per litre, respectively.

The increases are part of a funding package aimed at improving the efficiency of the land transport system funding, which will be conducted over a three-year period. Further increases to excise and excise-equivalent duty on petrol and road user charges are scheduled for 1 October 2010 (3.0 cents per litre) and 1 July 2011 (1.5 cents per litre).

Gift duty

Gift duty is payable by a person giving a gift to another. It is charged at a progressive rate, according to the total value of gifts given by a donor within a 12-month period. Dutiable gifts with a total combined value of \$27,000 or less in any 12-month period do not have gift duty charged on them.

From there, the rate rises from 5 percent, to a top rate of 25 percent on gifts exceeding \$72,000 in any 12-month period. Dutiable gifts include the transfer of property such as company shares or land, any form of payment, and forgiveness or reduction of debt.

A gift duty statement must be provided to Inland Revenue when the value of the gift exceeds \$12,000, or when the value of gifts within the previous 12 months exceeds \$12,000.

Stamp duty

Stamp duty was abolished from 21 May 1999, but remains payable on the sale and lease of commercial land by transfer, or by lease if the transaction was completed before that date.

Cheque duty

Cheque duty is payable, with exceptions, on all cheques and other bills of exchange made or drawn. Licensed banks are required to forward quarterly statements containing particulars of all bill-of-exchange forms to Inland Revenue. Licensed printers who print prepaid bills of exchange are required to forward statements to Inland Revenue monthly.

Cheque duty is set at the rate of 5 cents per bill of exchange, or 5 cents per form when the duty is prepaid.

Gaming duty

Gaming duty consists of totalisator duty, lottery duty, gaming machine duty, and casino duty.

Totalisator duty is payable at the rate of 4 percent of the betting profits for all racing betting (horses and greyhounds), sports betting, and fixed-odds racing betting. The New Zealand Racing Board must forward a statement to Inland Revenue by the 20th of each month.

Lottery duty is payable at the rate of 5.5 percent of the nominal value of all tickets in a drawn lottery; including instant games, lotteries, and prize competitions promoted by the New Zealand Lotteries Commission. Organisers of a lottery are required to supply Inland Revenue with a statement of lottery duty payable, and pay it within 14 days of drawing the lottery.

Gaming machine duty is payable at the rate of 20 percent of profits from dutiable games played on gaming machines. Gaming machine operators are required to send a statement to Inland Revenue each month, setting out the gaming machine duty, and must pay the duty by the due date.

Casino duty is payable at the rate of 4 percent on the casino wins of any casino. Casino operators are required to send a statement of the casino wins to Inland Revenue and pay casino duty on a monthly basis.

Total gaming duties assessed in the year ending 30 June 2009 were \$264.8 million.

Problem gambling levy

The Government introduced a levy on player expenditure from 1 October 2004. The purpose of the levy is to recover the cost of developing, managing, and delivering an integrated problem gambling strategy.

The levy is payable on gaming profits and is collected through monthly returns. The following levy rates applied from 1 July 2007, and will be reviewed every three years:

- casino operators – 0.72 percent
- non-casino gaming machine operators – 1.70 percent
- New Zealand Racing Board – 0.55 percent
- New Zealand Lotteries Commission – 0.20 percent.

The levy rate takes account of the level of attributable harm and total revenue for each sector.

International tax

Non-residents are taxed in New Zealand only if their income is from a New Zealand source. If the income is interest, dividends, or royalties, a person is liable for non-resident withholding tax (NRWT). NRWT is deducted by a payer of non-resident withholding income.

Provided certain criteria are met, the resident interest payer can seek registration as an approved issuer and pay an approved issuer levy of 2 percent. The non-resident may be able to claim NRWT as a credit in the country of residence – subject to the tax regime in that country. However, the approved issuer levy cannot be claimed as a credit, as it is not a tax and has not been deducted from the interest.

Residents have to calculate their income from all sources (including overseas investments). There are different rules to determine how foreign-sourced income is calculated, depending on the type of investment and size of interest that the New Zealand resident holds in a foreign entity.

For tax purposes, individuals are considered to be resident in New Zealand when they fulfil one or more of the following criteria:

- they have an enduring relationship with New Zealand; that is, strong financial, personal, or other ties with New Zealand – each case is considered on its facts
- they have been in New Zealand for more than 183 days in any 12-month period
- they are away from New Zealand in the service of the New Zealand Government.

Individuals cease to be New Zealand residents if they are absent from New Zealand for more than 325 days (about 11 months) in any 12-month period, and they do not have an enduring relationship with New Zealand during that time.

Student loan borrowers and their debt

In 2008, 37.5 percent of all students enrolled in tertiary study borrowed through the government's Student Loan Scheme. However, not all students are eligible to borrow, although the Ministry of Education calculates that 69 percent of those eligible to borrow in 2008 did so.

The majority of students borrowing in 2008 were aged 24 years and under (63.1 percent), with more than 50 percent of tertiary students in this age group receiving financial help through the scheme. The proportion of students borrowing has been increasing since 2005 across all age groups, except for those 60 years and over (60+).

For students aged 60+, the number of borrowers in a year peaked in 2006 (3,411), reducing in 2007 (to 3,345) and 2008 (to 2,640). The proportion of students borrowing in this age group also fell, from 18.4 percent (2006) to 14.6 percent (2008).

The number of students aged 60+ who left study with student loan debt more than doubled between 2006 and 2007. The size of the debt also increased – from \$13,720 in 2006 to \$22,000 in 2007 (up 60.3 percent). This was the highest leaving debt of any age group. However, only 2.5 percent of leavers with debt are in this age group.

In 2008, the average amount borrowed in a year by all age groups was \$6,950, up 2.4 percent from \$6,790 in 2007. Average leaving debt was also up for students who left study in 2007, increasing 2.5 percent to \$14,980, from \$14,620 in 2006. These increases continue the general upward trends in average borrowing in a year, and leaving debt, recorded since 1992 when the Student Loan Scheme began.

Debt repayment has slowed. Borrowers who left study in 2003 had repaid an average of 23.3 percent of their debt after five years, compared with 24.4 percent for 2002 leavers. Those aged 40–44 years when they left in 2003 had repaid an average of 27.7 percent of their debt five years later. However, people aged 60+ when leaving in 2003 owed 14.2 percent more in 2008 than when they left.

Repayment also varied for ethnic groups. Those identifying with the Pacific ethnicity had paid back 9.4 percent of their leaving debt after five years, while those who identified as European had repaid an average of 27.6 percent.

Nearly 11 percent of students had fully repaid their loan on leaving study in 2007. Just over 33 percent of students who left in 2003 had fully repaid their loan five years after leaving study.

Source: Statistics New Zealand; Ministry of Education

Image removed due to copyright issues

Otago Daily Times

A student cultural group in Dunedin at an October 2009 fundraising event for Samoan tsunami victims. Tax credits can be claimed at the end of the tax year for donations made to approved organisations.

Pensions are generally subject to tax in New Zealand. This includes New Zealand residents who receive a pension from a foreign country, including those with which New Zealand has a double tax agreement. If the person receiving the pension is taxed in the country of origin, credit is generally allowed against New Zealand income tax for the overseas tax paid, up to the amount of New Zealand tax on that income.

Double tax agreements are agreements to avoid double taxation. New Zealand has agreements with: Australia, Austria, Belgium, Canada, Chile, the People's Republic of China, the Czech Republic, Denmark, Fiji, Finland, France, Germany, India, Indonesia, Ireland, Italy, Japan, the Republic of Korea, Malaysia, Mexico, the Netherlands, Norway, the Philippines, Poland, the Russian Federation, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, the United Arab Emirates, the United Kingdom, and the United States.

A visitor from one of these countries who has received income from New Zealand sources should refer to the relevant agreement online (www.taxpolicy.ird.govt.nz/international/DTA).

Social assistance

Working for Families is a package designed to help make it easier to be in paid work and raise a family. Entitlement is based on combined family income and the number and age of children.

The Working for Families package has three components: tax credits (administered jointly by Inland Revenue and the Ministry of Social Development), childcare assistance, and the accommodation supplement (administered solely by the Ministry of Social Development). Other forms of social assistance include child support and student loans.

Working for Families tax credits are paid to families with children aged 18 years or under, to help with the cost of raising a family. There are four types of payments: family tax credit, parental tax credit, in-work tax credit, and minimum family tax credit. If the family receives an income-tested benefit, family tax credit can be paid by the Ministry of Social Development. If the family receives an income-tested benefit they are not entitled to the other three tax credits.

Family tax credit – is the main part of the Working for Families initiative and involves a payment to eligible families for each child living at home, up to the age of 18. How much is paid depends on how many children are living at home and how old they are, and on the combined family income.

In-work tax credit – from the 2006/07 tax year, child tax credits were gradually phased out and replaced by the in-work tax credit. However, in some circumstances, families that do not qualify for the in-work tax credit may continue to receive child tax credits, until they no longer meet the eligibility requirements. The in-work tax credit is \$60 per week for up to three children and a further \$15 for each additional child.

Parental tax credit – provides extra financial support, to a maximum of \$150 per child per week, for the first eight weeks after a child is born.

Minimum family tax credit – tops up a family's total income to at least \$20,540 a year after tax, or \$395 after tax each week (2009/10 year). If either partner has been injured and is receiving

accident compensation payments, but would usually be working, they may still be eligible for the minimum family tax credit.

For the minimum family tax credit and the in-work tax credit, at least one parent must be in paid work. For the minimum family tax credit this must be work for salary or wages. The combined weekly hours of work in a two-parent family must be at least 30 hours; in a single-parent family, it is at least 20 hours.

Child support Inland Revenue administers the Child Support Act 1991. Child support is money paid by parents not living with their children to help financially support those children. To qualify for child support, the child must be under the age of 19 years, be a New Zealand citizen or 'ordinarily resident' in New Zealand, be unmarried and not in a civil union or de facto relationship, and be financially dependent.

The person caring for the child (the custodian) generally applies for child support. Custodians are sometimes people other than parents, such as grandparents, a member of the whānau (family) or extended family, or Child, Youth and Family. In these cases, both parents may be required to pay child support. Custodians receiving a sole-parent benefit must apply for child support.

The Child Support Act sets a minimum annual rate of child support, and a maximum income amount that can be used in calculating an assessment. The paying parent must pay the rate calculated under the child support formula, within these minimum and maximum limits, although in some circumstances the custodian and the paying parent may agree on their own rates (a voluntary agreement).

A three-step calculation (the child support formula) is used to work out how much child support a paying parent needs to pay. The formula uses the paying parent's taxable income, less a living allowance (the amount of which depends on their living arrangements, eg whether they have a partner and/or children living with them), and multiplies the result by a percentage – based on the number of children the paying parent pays child support for.

Inland Revenue collects payments from the paying parent and passes them on to the custodian, unless the custodian is receiving a sole-parent rate of benefit, in which case the payments are passed to the government to offset the cost of the benefit. The payment is only passed on when it has been received from the paying parent.

In 2009, there were approximately 176,000 paying parents, 178,000 custodians, and 279,000 children for whom child support was paid. In the year ending 30 June 2009, Inland Revenue collected \$386.8 million from paying parents, of which \$204.7 million was paid to custodians and \$173.2 million was paid to the Government.

Student loans The Ministry of Education manages policy aspects of the Student Loan Scheme, and StudyLink processes loan applications and administers payments to borrowers. Loans are transferred to Inland Revenue on 28 February following the end of the calendar year in which a borrower was studying.

Inland Revenue assesses and collects loan repayments until the loan is repaid. Interest rates and repayment thresholds are reviewed annually, and are effective from 1 April to 31 March.

Table 27.05

Public account taxation and national disposable income⁽¹⁾⁽²⁾

Year	Year ending 30 June		Public account taxation as a percentage of national disposable income
	Public account taxation	National disposable income	
	\$(million)		Percent
2000	32,598	99,172	32.9
2001	35,345	102,557	34.5
2002	36,809	107,129	34.4
2003	40,518	111,850	36.2
2004	43,358	119,018	36.4
2005	47,468	121,957	38.9
2006	50,973	122,790	41.5
2007	53,477	125,074	42.8
2008	56,747	130,973	43.3
2009	54,681	129,035	42.4

(1) Accounts prepared on an accrual basis. (2) The public account taxation series includes the removal of goods and services tax on Crown expenses.

Source: Statistics New Zealand

Image removed due to copyright issues

The Dominion Post

Students protest the raising of course fees at Victoria University. More than 700,000 New Zealanders have borrowed from the Student Loan Scheme since its introduction in 1992. New projections indicate that more than \$20 billion of total student debt will be accumulated by 2022.

The student loan total annual interest rate for the 2009/10 financial year was 6.8 percent and the repayment threshold for the 2009/10 tax year was \$19,084. Borrowers earning over the repayment threshold are legally required to repay 10 cents in the dollar of every dollar earned over the repayment threshold. Those on a salary or wages generally have their loan repayments deducted at source, along with PAYE.

Since 1 April 2006, student loans for borrowers living in New Zealand for 183 consecutive days or more (with some exceptions to this requirement) have been interest free.

Government statistics

Table 27.06 is from the Government's accounts. As well as taxes and duties collected by Inland Revenue, the accounts also include taxes and duties collected by the New Zealand Customs Service. It shows tax revenue for the years ending June 2008 and 2009, and forecasts for 2010 to 2013.

Table 27.06

Revenue/expenses	Breakdown of tax revenue					
	Year ending 30 June					
	Actual		Forecast			
	2008	2009	2010	2011	2012	2013
	\$(million)					
Direct income						
Individuals						
Source deductions	23,345	22,587	21,699	21,732	22,594	23,909
Other persons	5,071	4,408	4,387	4,235	4,469	4,713
Refunds	(1,470)	(1,636)	(1,651)	(1,651)	(1,671)	(1,763)
Fringe benefit tax	522	500	487	496	520	544
Total individuals	27,468	25,859	24,922	24,812	25,912	27,403
Corporate tax						
Gross companies tax	8,787	8,245	7,077	7,728	8,592	9,595
Refunds	(242)	(430)	(345)	(348)	(369)	(402)
Non-resident withholding tax	1,506	1,451	1,107	1,135	1,247	1,366
Foreign-source dividend withholding payments	71	10	13	13	13	13
Total corporate	10,122	9,276	7,852	8,528	9,483	10,572
Other income tax						
Resident withholding tax on interest income	2,699	2,571	2,049	1,522	1,619	1,982
Resident withholding tax on dividend income	69	65	211	253	258	264
Estate and gift duties	3	1	2	2	2	2
Total other	2,771	2,637	2,262	1,777	1,879	2,248
Total direct income tax revenue	40,361	37,772	35,036	35,117	37,274	40,223
Indirect income						
Goods and services tax						
Gross goods and services tax	20,631	20,551	21,121	21,856	23,105	24,546
Refunds	(9,516)	(9,000)	(9,960)	(10,605)	(11,445)	(12,211)
Total indirect	11,115	11,551	11,161	11,251	11,660	12,335
Other indirect taxation						
Petroleum fuels excise	819	781	802	802	807	814
Tobacco excise	159	172	172	175	178	181
Customs duty	1,857	1,880	1,818	1,819	1,820	1,859
Road user charges	851	868	885	955	1,036	1,100
Alcohol excise	573	616	657	682	708	734
Gaming duties	260	215	224	227	229	232
Motor vehicle fees	226	171	167	168	171	173
Energy resources levies	46	39	38	38	38	38
Approved issuer levy and cheque duty	105	80	92	92	92	92
Total other indirect	4,896	4,822	4,855	4,958	5,079	5,223
Total indirect taxation	16,011	16,373	16,016	16,209	16,739	17,558
Total tax revenue collected	56,372	54,145	51,052	51,326	54,013	57,781

Source: The Treasury

Taxation review authorities

The Taxation Review Authorities Act 1994 established taxation review authorities. There are two authorities, each consisting of one person who is either a District Court judge, or a barrister or solicitor of the High Court with no fewer than seven years practice. The authorities are appointed by the governor-general on the Minister of Justice's recommendation.

The authorities sit as judicial authorities for hearing and determining objections and challenges to assessments of tax, or to decisions or determinations of the commissioner of Inland Revenue.

Assets and liabilities

Public debt management

The New Zealand Debt Management Office (NZDMO) is responsible for managing the government's New Zealand-dollar and foreign-currency debt, some liquidity assets, and overall net cashflows within an appropriate risk management framework.

Principal risks managed are market, credit, liquidity, funding, concentration, and operational risk.

In 1988, NZDMO introduced reforms to public sector cash management, involving the centralisation of surplus cash funds for investment and cash management, and decentralisation of responsibility for payments and other banking operations to departments. Separation of the government's financial management from monetary policy implementation, which is the responsibility of the Reserve Bank of New Zealand, enables NZDMO to focus on defining a low-risk net liability portfolio for the government and implementing it in a cost-effective manner.

Before March 1985, the government borrowed externally to finance the balance of payments deficit and maintain a fixed exchange rate. Since adopting a freely floating exchange rate, the government has borrowed externally only to finance foreign-exchange reserves. All other borrowing has been in the domestic market.

Net foreign-currency debt was eliminated in September 1996 through the proceeds from asset sales and fiscal surpluses.

Debt record

New Zealand has always paid, when due, the full amount of principal, interest, and amortisation requirements on its external and internal debt, including guaranteed debt.

The Government's long-term fiscal objectives, set out in the *2009 Fiscal Strategy Report*, include returning to an operating surplus sufficient to meet the government's net capital requirements, including contributions to the New Zealand Superannuation Fund, and ensuring consistency with the long-term debt objective.

The long-term debt objective requires total debt to be managed at prudent levels, with debt rising over the short to medium term to deal with the current economic and fiscal shock.

To provide a buffer against future shocks, the increase in debt is to be reversed. The objective specifies that net debt will remain consistently below 40 percent of GDP, and is to be brought back to about 30 percent of GDP no later than the early 2020s. Over the longer term, the Government considers it prudent to have net debt closer to 20 percent of GDP.

The quantifiable contingent liabilities of the Government, including the Reserve Bank of New Zealand, state-owned enterprises, and Crown entities, amounted to approximately \$8.5 billion at 30 June 2009.

Figure 27.05 shows gross and net public debt as a proportion of GDP for June 1998 to 2013.

Table 27.07 is one of the key statements from the Government's financial statements, the statement of borrowings for the years ending June 2008 and 2009, and forecasts for 2010 to 2013.

Table 27.08 shows central government debt from June 2000 to 2009.

Table 27.07

Statement of borrowings						
Year ending 30 June						
	Actual		Forecast (New GAAP)			
	2008	2009	2010	2011	2012	2013
\$(million)						
Borrowings						
Government stock	18,516	21,164	25,629	36,749	45,057	53,052
Treasury bills	1,484	7,432	9,550	9,548	9,517	9,486
Government retail stock	423	491	581	581	581	581
Settlement deposits with the Reserve Bank	7,750	6,908	9,432	9,432	9,432	9,432
Derivatives in loss	1,591	2,158	3,237	3,130	2,681	2,084
Finance lease liabilities	955	1,002	1,247	1,431	2,018	2,875
Other borrowings	15,391	22,798	26,747	27,785	28,134	29,111
Total borrowings	46,110	61,953	76,423	88,656	97,420	106,621

Note: GAAP is generally accepted accounting practice.

Source: The Treasury

Figure 27.05

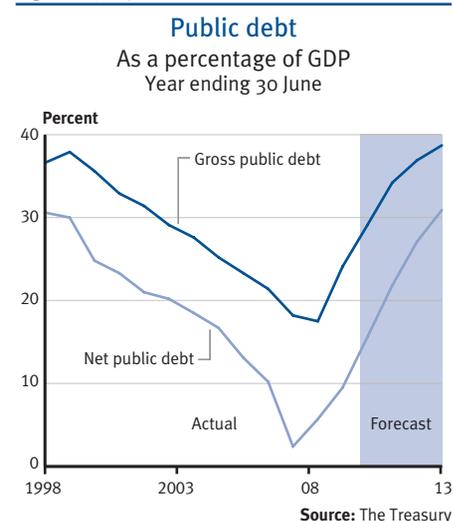


Table 27.08

Gross debt ⁽¹⁾		
At 30 June		
Year	Amount	Per head of population
	\$(million)	\$
2000	36,580	9,482
2001	37,194	9,585
2002	36,650	9,282
2003	36,617	9,092
2004	36,017	8,811
2005	35,478	8,582
2006	33,903	8,102
2007	30,647	7,248
2008	31,390	7,353
2009	43,356	10,046

(1) Gross debt is defined as gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve Bank bills.

Source: Statistics New Zealand

Contributors and related websites

Accident Compensation Corporation – www.acc.co.nz

Inland Revenue – www.ird.govt.nz

KiwiSaver – www.kiwisaver.govt.nz

Local Government New Zealand – www.lgnz.co.nz

Ministry of Education – www.minedu.govt.nz

Ministry of Health – www.moh.govt.nz

Ministry of Social Development – www.msd.govt.nz

Ministry of Transport – www.transport.govt.nz

New Zealand Customs Service – www.customs.govt.nz

New Zealand Transport Agency – www.nzta.govt.nz

Reserve Bank of New Zealand – www.rbnz.govt.nz

State Services Commission – www.ssc.govt.nz

Statistics New Zealand – www.stats.govt.nz

The Treasury – www.treasury.govt.nz

Work and Income New Zealand – www.workandincome.govt.nz

Glossary

Abortion Fetal loss excluding stillbirths, usually during the first 20 weeks of gestation. ‘Induced’ abortions are those initiated voluntarily with the intention of terminating a pregnancy. All other abortions are called ‘spontaneous’, even if an external cause such as injury or high fever is involved. All abortion statistics and derived abortion rates are based on the number of legally induced abortions. No information is available on spontaneous or illegal abortions.

Accreditation The process by which a State (eg Canada) formally agrees to accept a head of mission from a second State (eg New Zealand) as that country’s representative, with authority to act on the second State’s behalf. A head of mission can be cross-accredited to act in a third State (eg Jamaica) while living outside its border (eg in Canada).

Ad valorem duty A type of duty that is paid as a percentage of the imported goods’ value.

Additions to fixed assets Purchases of new and second-hand fixed assets, and the cost of work done by a firm’s employees in producing, constructing, and installing fixed assets for its own use.

ANZSIC06 The Australia New Zealand Standard Industry Classification 2006 is a hierarchical industrial classification that groups businesses based on the types of economic activities they carry out.

Assumption A statement about a future course of behaviour from which demographic projections are derived.

Baby boom Usually the period 1946–65, which is associated with high fertility rates and high numbers of births.

Balance of payments (BOP) A statistical statement that systemically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.

Balance of payments conceptual adjustments Adjustments to international trade statistics to bring the value of exports and imports into line with balance of payments concepts. Imports are adjusted to free on board (fob) value. Exports are adjusted for goods shipped and sold on consignment.

Balance on current account A balance of payments statement is presented as a series of accounts – current, capital, and financial. The current account records the export and import of goods and services, income earned and paid and, under current transfers, offsetting entries to resources supplied or received from non-residents. The sum of the exports of goods and services, earnings, and resources received (inflows), less imports of goods and services, income paid, and resources supplied (outflows) is the balance on current account. The account is usually in either surplus (inflows exceed outflows) or deficit (outflows exceed inflows).

Balance on current transfers This is calculated by deducting total debit entries from total credit entries for all current transfers components, for example, income tax and international aid.

Balance on goods This is calculated by deducting the total imports of goods from the total exports of goods. The balance is a surplus when exports of goods exceed imports.

Balance on income This is calculated by deducting the total income accruing to foreign investors from their investments in New Zealand, from the total income earned by New Zealand investors from their investments abroad. Income includes profits, dividends, and interest.

Balance on services This is calculated by deducting total imports of services from total exports of services. Services include transportation, travel, and insurance.

Balance on the external current account (national accounts) This is the residual item for the external account – the excess of income from the rest of the world over payments to the rest of the world. A negative value indicates payments exceed income.

Banking sector All units engaging in financial intermediation as a principal activity and having liabilities in the form of deposits or financial instruments.

Birth rate (crude) The number of live births per 1,000 mean estimated population.

Births Includes live births and stillbirths.

Bonds and notes Financial instruments that give the holder the unconditional right to a fixed money income, or a contractually determined variable money income.

Capital account This account records all transactions that involve the receipt or payment of capital transfers, and acquisition or disposal of non-produced, non-financial assets such as patents and copyrights. The balance is equal to debit entries (inflows) minus credit entries (outflows).

Capital transfers to/from the rest of the world (national accounts) This is the excess of capital transfers by non-residents to New Zealand residents, over the value of similar transfers by residents to non-residents. Capital transfers are unrequited transfers in cash or in kind, which are not considered by the recipient as adding to current income, nor by the donor as reducing current income. Examples are unilateral transfers of capital goods, legacies, investment grants, and transfers of migrants’ funds.

Census A survey of the total population of interest. New Zealand’s Census of Population and Dwellings, carried out at five-yearly intervals, is an example of a census.

Census night population count A count of all people present in a given area on a given census night. The census night population count of New Zealand includes visitors from overseas, but excludes residents who are temporarily overseas on census night. For a subnational area, the count includes visitors from overseas and elsewhere in New Zealand (people who do not usually live in that area), but excludes residents of that area who are temporarily absent on census night.

Census undercount/overcount Census undercount is the number of people missed by a census who were meant to be counted. Census overcount is the number of people counted by a census who should not have been counted, or who were counted more than once. Net census undercount is the difference between the under- and overcount, usually expressed as a percentage of what the complete count should have been, rather than as a percentage of what was counted.

Census usually resident population count A count of all people who usually live in a given area, and are present in New Zealand, on a given census night. This count excludes both visitors from overseas and residents who are temporarily overseas on census night. For a subnational area, this count excludes visitors from overseas and elsewhere in New Zealand (people who do not usually live in that area), but includes residents of that area who are temporarily elsewhere in New Zealand on census night.

Chain-volume series Chain-volume measures express gross domestic product and its components with price effects removed. To do this involves revaluing a current price time series (of components) in the price of a chosen base period. Since chain-volume measures are done at component level, the components are not additive.

Change in inventories (national accounts) This consists of changes in:

- stocks of outputs that are held by the units that produced them before the stocks are further processed, sold, or delivered to other units
- stocks of products acquired from other units that are intended to be used for intermediate consumption, or for resale without further processing.

They are measured by the value of the entries into inventories, less the value of withdrawals, and the value of any recurrent losses of goods held in inventories. Work in progress is included.

cif (cost, including insurance and freight) A basis for valuation of merchandise imports, representing the cost to the importer of buying the goods and bringing them to the wharf or airport in New Zealand.

Compensation of employees (national accounts) Total remuneration, in cash or in kind, payable to employees by enterprises. As well as salaries and wages, it includes contributions paid on an employee's behalf to a superannuation fund, a private pension scheme, the Accident Compensation Corporation, a casualty and life insurance scheme, and other fringe benefits.

Compensation of employees to/from the rest of the world (national accounts) In principle, these items cover the compensation that residents of one country earn from employment in another, where they are classed as non-residents (because their stay is for less than 12 months). In practice, data available does not permit estimates of these items.

Consensual union/de facto union Two people usually living in the same dwelling, but not in a registered marriage to each other, who share mutual concern for each other, have a degree of economic, social, and emotional interdependence, and consider their relationship to be akin to marriage.

Constant price estimate This is an estimate in which the portion of the sales movement caused by a price change has been removed.

Consulate-general (foreign affairs) The office a country has in a second country, which provides the full range of consular functions, and may also offer non-commercial trade or tourism activities. A consul-general is usually authorised to cover one large or significant consular district, or several smaller ones. A consulate (headed by a consul or honorary consul) provides only consular functions. An honorary consul is usually a national of the host country who performs consular duties on behalf of the foreign country.

Consumers price index (CPI) The official measure of inflation in the New Zealand economy. The CPI measures changes in the prices of goods and services purchased by New Zealand households.

Consumption of fixed capital (national accounts) This represents the reduction in the value of fixed assets used in production, during the accounting period, that results from physical deterioration, normal obsolescence, or normal accidental damage. It is valued at replacement cost.

Crown entity A body established by law in which the government has a controlling interest, but which is separate from the Crown. Control can be through owning a majority of the voting shares or by having the power to appoint and replace a majority of the governing members.

Crown research institute A government-owned business with a scientific purpose. There are eight institutes, each based around a productive sector of the economy or a grouping of natural resources.

Current account This account records all transactions (other than those in financial items) that involve economic values and occur between New Zealand-resident and non-resident entities. Also recorded are offsets to current economic values provided

or acquired without a *quid pro quo*. The major classifications are goods, services, income, and transfers.

Current transfers to/from the rest of the world (national accounts) These refer to current transfers that take place between residents in New Zealand and non-residents. Examples include government aid in the form of food, clothing, and medical supplies; social contributions and/or benefits; and personal transfers such as gifts.

Death rate (crude) The number of deaths per 1,000 mean estimated population.

De facto population concept A statistical basis for a population in terms of those present in a given area at a given time. The census night population count is a census measure, and the estimated de facto population is a demographic measure, of the de facto population concept. In terms of vitals data (births, deaths, marriages, etc), the concept refers to events registered in New Zealand to New Zealand residents and visitors from overseas.

Demutualisation The process by which mutually held organisations become publicly listed.

Density (of population) The average number of people per square kilometre (or hectare) in a particular locality.

Depreciation Lowering of value, as charged in books of account, on fixed tangible assets.

Direct investment Investments made to acquire a lasting interest in an enterprise located in an economy other than the resident economy of the investor. The investor's purpose is to have a significant influence in the management of the enterprise. The International Monetary Fund defines 'significant influence' in the direct investment enterprise as the investor holding at least 10 percent of the voting capital of the enterprise. Once the relationship is established, all forms of financial capital investment between the direct investor and direct investment enterprise are classed as direct investment, that is, equity and debt.

Direct investment income Income earned by investors from their direct investment relationship with an enterprise. The income includes dividends (including bonus issues of shares), interest, earnings of branches, and direct investors' share of the earnings of direct investment enterprises that are not distributed.

Domestically issued securities These securities are domestically issued bonds and notes, taken up directly by non-resident organisations and individuals, or through New Zealand organisations acting as nominees.

Dwelling A structure, part of a structure, or a group of structures used, or intended to be used, as a place where people live.

Economically significant enterprise An enterprise meeting at least one of the following criteria:

- greater than \$30,000 annual GST expenses or sales

- at least three for its rolling mean employment (the average employee count over the previous 12 months)
- in a GST-exempt industry, except residential property leasing and rental
- part of a group of enterprises
- a new GST registration that is compulsory, special or forced (ie the business is expected to exceed the \$30,000 limit)
- registered for GST and involved in agriculture or forestry.

Employed All people in the working-age population who, during the reference week: worked for one hour or more for pay or profit, in the context of an employee/employer relationship or self-employment; or worked without pay for one hour or more in work that contributed directly to the operation of a farm, business, or professional practice owned or operated by a relative; or had a job but were not at work due to various factors (own illness or injury, personal or family responsibilities, bad weather or mechanical breakdown, direct involvement in an industrial dispute, or leave or holiday).

Employee count (EC) The count of all people who are paid a salary or wages, and pay tax on this payment. The EC refers mostly to employees, but includes a small number of working proprietors who also pay themselves a taxable salary or wage. The EC data is derived from the employer monthly schedule, provided by employers to Inland Revenue.

Employer contributions Payments by employers to superannuation, pension, and welfare schemes, and accident compensation levies.

Employment status This describes a person's employment status within the labour force. Employed people aged 15 years or over are classified according to whether they work for themselves or other people either in full- or part-time employment. Employment status categories are: paid employee, self-employed and without employees, employer, and unpaid family worker.

Enterprise A business or service entity operating in New Zealand. It can be a company, a partnership, a trust, an estate, an incorporated society, a local or central government organisation, a voluntary organisation, or a self-employed individual.

Estimated resident population An estimate of all people who usually live in a given area at a given date. The estimated resident population of New Zealand includes all residents present in New Zealand and counted by the census (census usually resident population count), residents who are temporarily overseas (who are not included in the census), and an adjustment for residents missed or counted more than once by the census (net census undercount). Visitors from overseas are excluded. For a subnational area, the estimate includes residents of that area who are temporarily absent on census night but excludes visitors from elsewhere in New Zealand (people who do not usually live in that area). The estimated resident population at a

given date after census includes births, deaths, and net migration (arrivals less departures) of residents during the period between census night and the given date.

Ethnicity An ethnic group is made up of people who have some or all of the following characteristics: a common proper name; one or more elements of common culture, which need not be specified but may include religion, customs, or language; unique community of interests, feelings, and actions; a shared sense of common origin or ancestry; and a common geographic origin. Ethnicity is self-perceived and people can belong to more than one ethnic group. People can identify with an ethnicity even though they may not be descended from ancestors with that ethnicity. Conversely, people may choose to not identify with an ethnicity even though they are descended from ancestors with that ethnicity.

Excise A duty or tax on goods produced or sold within the country of origin.

Exports of goods and services All goods and services produced by New Zealand residents and purchased by non-residents.

External/international migration The short-term and long-term movement of overseas and New Zealand travellers in to and out of New Zealand. External migration statistics are compiled from individual migration forms filled in by passengers arriving in and departing from New Zealand. The classes of arrival and departure are: overseas visitor, New Zealand resident departing from New Zealand or returning after a short-term absence, permanent and long-term arrival, permanent and long-term departure.

Family A couple, with or without children, or one parent with one or more children, usually living together in a household.

Fertility The actual level of reproduction of a population, based on the number of live births that occur. Fertility is normally measured in terms of women of childbearing age.

Fertility rate (total) The average number of live births that a woman would have during her life, if she experienced the age-specific fertility rates of a given period (usually a year). It excludes the effects of mortality.

Final consumption expenditure (national accounts) Expenditure, including imputed expenditure, on goods and services according to which sector (private and government) actually pays for the goods and services, and therefore makes the decision on the expenditure.

Financial account This account records transactions associated with changes in ownership of the foreign financial assets and liabilities of an economy. For example, foreign investors' purchases and sales of equity (shares) issues by New Zealand-resident companies, and the borrowing and lending overseas by New Zealand entities.

Financial derivatives Financial derivatives are financial instruments that derive their value by reference to an underlying product or index. Financial derivatives involve:

- future delivery, receipt, or exchange of financial items such as cash or another derivative instrument
- future exchange of real assets for financial items where the contract may be tradable and have market value.

Financial derivatives include, for example, currency swaps, interest rate swaps, futures, forward foreign exchange contracts, options (contracts), and warrants.

Financial performance The broad heading for variables that measure the financial performance of a unit or group of units. This includes, for example, variables for income, expenditure, profit, and stocks.

Financial position The broad heading for variables that measure the financial position of a unit or group of units. Previously called the balance sheet, it includes assets, liabilities, equity, and investment in fixed assets.

First marriage rate First marriages per 1,000 never-married women.

fob (free on board) The current market value of goods in the country of origin, including all costs necessary to get them on board a ship or aircraft, but excluding freight, insurance, and other costs involved in transporting them to New Zealand.

Foreign direct investment in New Zealand Investment in New Zealand-located enterprises by non-resident investors that meets the direct investment criteria. The financial account measures transactions that increase and decrease these investments. The international investment position statement measures the value of this investment at points in time.

Full-time employed People working 30 hours or more a week.

Full-time equivalent employees (FTEs) The number of FTEs equals the number of full-time employees, plus half the part-time employees.

General government sector Central and local government units, other than the Reserve Bank of New Zealand.

Geographic unit A separate operating unit engaged in one, or predominately one, kind of economic activity from a single physical location or base in New Zealand.

Gross (national accounts) Used to denote values before deducting consumption of fixed capital.

Gross domestic product (GDP, national accounts) The total market value of goods and services produced in New Zealand, after deducting the cost of goods and services used in the process of production, but before deducting allowances for the consumption of fixed capital.

Gross fixed capital formation (national accounts) Measured by the total value, less disposals, of a producer's purchases of fixed assets, plus certain additions to the value of non-produced assets (such as subsoil assets or major improvements in the quantity, quality, or productivity of land) realised by the productive activity of institutional units.

The term 'gross' indicates that consumption of fixed capital has not been deducted from the value of the outlays.

Gross national expenditure (national accounts) The total expenditure by New Zealand residents, within a given period, on final goods and services. This excludes goods and services used up during the production process.

Gross national income (GNI, national accounts) The income accruing to New Zealand residents, within a given period, from their services in supplying factors of production in New Zealand and overseas, plus net taxes on production and imports, and before the deduction of allowances for the consumption of fixed capital. Previously referred to as gross national product.

Gross operating surplus (national accounts) The surplus or deficit accruing from production. The residual item to the gross domestic product and expenditure account, obtained after deducting compensation of employees and taxes on production, less subsidies, from the value-added component.

Gross reproduction rate The average number of daughters that a woman would have during her life if she experienced the age-specific fertility rates of a given year. It excludes the effect of mortality.

Gross tonne The unit of actual weight of cargo, including packaging, but not including the weight of reusable containers.

Hapū Subtribe.

Harmonised system The New Zealand Harmonised System Classification is used for processing customs entries and publishing statistics on external trade.

Household Either one person usually living alone, or two or more people usually living together and sharing facilities, in a private dwelling.

Imports of goods and services All goods and services produced by non-New Zealand residents and purchased by New Zealand residents.

Indexes An index is used to measure the total impact of changes in the attributes of commodities that cannot be compared directly. In New Zealand, the most common use of index numbers is to measure changes in prices, volumes, or money values over time. When calculating a price index, the type, quantity, and quality of each commodity is held constant so that the price movement can be measured. The most frequently quoted index in New Zealand is the consumers price index, which reports quarterly changes in price levels of goods and services purchased by New Zealand households during a specified period. By expressing the changes in index form, price changes in commodities as diverse as beef, hairdressing, and club subscriptions can all be aggregated to produce a measure of overall price change.

Indirect taxes Taxes assessed on producers in respect of the production, sale, purchase, and use of goods and services, and which add to

the market price of those goods and services. They include: sales tax, local authority rates, import and excise duties, fringe benefit tax, and registration fees (such as motor vehicle registration) paid by producers.

Inflation An increase in the general or average level of prices of goods and services over a period of time.

Insurance (balance of payments) This covers the provision of various types of insurance by non-residents to residents, and vice versa.

All types of insurance and reinsurance are included: freight insurance on goods, reinsurance, and other forms of direct insurance (such as life, marine, general and fire, and accident). Also included are commissions related to insurance transactions earned by agents.

Intermediate consumption (national accounts) The value of goods and services used as inputs in production.

International investment position This is a statistical statement of the:

- value and composition of the stock of an economy's financial assets, or the economy's claims on the rest of the world
- value and composition of the stock of an economy's liabilities to the rest of the world.

Investment income Income earned by foreign investors from their equity and financial assets invested in New Zealand (the debit or expenditure item), and the income New Zealand investors earn from their equity and financial assets invested abroad (the credit or income earned item).

Investment income to/from the rest of the world (national accounts) This consists of:

- Investment income, which represents transfers of income accruing to the owners of financial assets (mainly from earning interest and dividends) and tangible non-produced assets (from owning natural assets such as land, subsoil assets, and water resources). This now includes reinvested earnings on overseas direct investment, where the retained earnings of a direct foreign investment enterprise are treated as if they were distributed and remitted to foreign direct investors in proportion to their ownership of the equity of the enterprise, and then reinvested by them in the enterprise.
- Entrepreneurial income, which refers to actual withdrawals of income from enterprises operating overseas, such as branches of foreign companies.

Iwi Tribe.

Kind of activity unit A subdivision of an enterprise, consisting of one or more activity units for which a single set of accounting records is available.

Labour force The labour force consists of people aged 15 years and over who regularly work for one hour or more a week for financial gain, or who work without pay in a family

business, as well as those who are not working, but are actively seeking and are available for work.

Labour force participation rate The total labour force expressed as a percentage of the working-age population.

Labour income (total) Before-tax income that people aged 15 years and over receive in a financial year from all sources. This includes wages, salary, government benefits, interest, dividends, commission, and pre-tax business or farming income (less expenses).

Life expectancy at birth The average length of life of a newborn baby, assuming they experience the age-specific mortality rates of a given period throughout their life. Life expectancy represents the average longevity of the whole population and does not necessarily reflect the longevity of an individual.

Loans (balance of payments) Direct agreements between borrowers and lenders that involve the transfer of funds to the borrower, and the repayment to the lender over time. Loans include: secured and unsecured loans, trade-related loans, overdrafts, roll-over loans, revolving-credit advances, advances from overseas parent and/or subsidiary companies, the use of credit facilities, and non-market debentures and notes.

Long term Refers to financial instruments with an original maturity of more than one year.

Marriage (registered) The act, ceremony, or process by which the legal relationship of husband and wife is constituted. In New Zealand, marriage must be solemnised by a celebrant or before a registrar of marriages.

Maturity profile The residual maturity profile is based on the time remaining to scheduled maturity.

Mean population The average number of people in an area during a given period, usually a year. This measure may be estimated in terms of a simple or weighted arithmetic mean of monthly or quarterly population during the reference period.

Median A value with an equal number of items on either side of it.

Median age Half the population is younger, and half older, than this age.

Merchandise exports Goods of domestic origin, and re-exports, sent from New Zealand to other countries. This includes goods leased for a year or more, but excludes goods for repair.

Merchandise imports Goods from other countries landed in New Zealand, including goods leased for a year or more, but excluding goods for repair.

Merchandise trade All goods that add to or subtract from the stock of material resources in a country, as a result of their movement in to or out of it. This includes goods leased for a year or more, but excludes goods for repair.

Monetary authority The Reserve Bank of New Zealand.

Money market instruments Securities generally giving the holder the unconditional right to receive a stated fixed sum of money on a specified date. These instruments are usually traded at a discount in organised markets. The predominant money market instruments in New Zealand are treasury bills, Reserve Bank bills, bills of exchange, and certificates of deposit.

National disposable income (national accounts) The total income of New Zealand residents, from all sources, that is available for either final consumption (current spending) or saving.

Natural increase The excess of live births over deaths. When deaths exceed births, this is described as a natural decrease, or a negative natural increase.

Net errors and omissions This is a balancing item. The balance of payments statement employs a double entry system and so, in the accounting sense, it should always balance. In practice, this seldom occurs, due to factors such as the variety of data sources used, the probability that some transactions will not be captured, and the possibility of errors in reporting and compilation. Net errors and omissions (or the residual) is used to balance the accounts.

Net lending to the rest of the world (national accounts) The residual item for the national capital account. If the nation's savings are insufficient to pay for all capital investment needed for production, the shortfall must be borrowed from overseas. Net lending to the rest of the world is then a negative item.

Net reproduction rate The average number of daughters that a woman would have during her life if she experienced the age-specific fertility and mortality rates of a given year. A net reproduction rate of one means a woman would exactly replace herself.

New Zealand direct investment abroad Investment by New Zealand investors in overseas-located enterprises that meets the direct investment criteria. The balance of payments financial account measures transactions that increase and decrease these investments. The international investment position statement measures the value of this investment at points in time.

New Zealand residents departing temporarily or returning after a short-term absence A New Zealand resident whose absence from New Zealand is intended to be, or was, less than 12 months.

Not in the labour force Any person in the working-age population who is neither employed nor unemployed. This residual category includes: retired people; those with personal or family responsibilities such as childcare and unpaid housework; people attending educational institutions; those permanently unable to work due to physical or mental disabilities; people who were temporarily unavailable for work in the survey reference week; and those not actively seeking work.

Operating expenditure Expenditure from the main activities of an economic unit, usually directly incurred from sales of goods and services. Salaries and wages, interest, donations, and unusual expenditure (such as valuation changes) are excluded.

Operating income Income from the main activities of an economic unit, usually from the sale of goods and services. Generally it excludes unusual expenditure (such as valuation changes), interest, dividends, and subsidies.

Operating surplus (financial accounts) Surplus or deficit of total income less total expenditure, before direct tax, payments to owners, and stock change.

Other investment A residual category covering all forms of financial capital not included elsewhere (under direct, portfolio, or reserves). Types of capital include trade finance (trade creditor and debtor accounts), loans, and deposits.

'Other' sectors (balance of payments) Includes non-financial corporations, insurance companies, pension funds, other non-depository financial intermediaries, private non-profit institutions, and households.

Output (national accounts) Output represents the value of total production, including intermediate inputs. Deducting intermediate inputs from output gives the value-added component.

Overseas trade – exports and imports New Zealand Customs Service entries relating to goods cleared. Overseas trade statistics show exports valued free on board (fob), and imports valued cost, including insurance and freight (cif) and value for duty (vfd).

Paid employees People who have an employment agreement and who receive payment for their work in the form of wages, salary, commission, tips, piece rates, or pay in kind.

Part-time employed People who usually work fewer than 30 hours a week.

Permanent and long-term arrivals People who have spent the previous 12 months or more overseas and who arrive in New Zealand intending to stay 12 months or more.

Permanent and long-term departures People who have spent the previous 12 months or more in New Zealand and who depart for an intended absence of 12 months or more.

Population estimate Data from the most recent Census of Population and Dwellings, updated with estimates of births, deaths, and net migration since the census.

Population projection Indication of the future demographic characteristics of a population, based on an assessment of past trends and assumptions about the future course of demographic behaviour – fertility, mortality, and migration.

Portfolio investment Investment in equity securities of less than 10 percent of the voting stock of an enterprise; and investment in

debt securities, such as bonds and notes, and money market instruments.

Provisional (statistics) Statistics derived using preliminary or incomplete data, which is released before final data becomes available.

Purchase of non-produced non-financial assets to/from the rest of the world net (national accounts) Assets (tangible and intangible) that come into existence other than through production processes. Also included are the costs of ownership transfer on, and major improvements to, such assets.

Random rounding Random rounding to base 3, as used in a census, means that all table cell values, including totals, are rounded as follows: zero and numbers that are already multiples of three are not changed. Other numbers are randomly rounded to one of the two nearest multiples of three, using fixed probabilities. For example, a nine is left unchanged, while eight could be rounded to either six or nine. Because rounding is done separately for each cell, rows and columns do not necessarily add up to the published totals.

Re-exports Merchandise exports that were earlier imported into New Zealand and contain less than 50 percent New Zealand content by value. Examples are computer hardware, machinery, and aircraft.

Re-imports Goods, materials, or articles imported in the same condition as they were exported from New Zealand. (One-third of New Zealand's re-imports are live animals, principally racehorses and dogs).

Reinsurance An insurer transfers some of their risk to another insurer to limit losses that could be sustained in the event of a major disaster.

Replacement level fertility The average number of children a woman needs to have to produce one daughter who survives to childbearing age. (Also described as the total fertility rate required for the population to replace itself, without migration.) The internationally accepted replacement level is 2.1 births per woman. This allows for females dying between birth and childbearing, and for the fact that on average, 105 boys are born for every 100 girls. The actual replacement level varies slightly among countries, depending on child mortality rates. In countries with high child mortality, the rate will need to be higher than 2.1 births per woman to achieve replacement level.

Reserve assets External financial assets denominated in foreign currencies that are readily available to, and controlled by, monetary authorities.

Resident population In census statistics, a resident is a person who self-identifies that they usually live in an area. In international migration statistics, a resident is a person who self-identifies on a departure card that they have lived in New Zealand for 12 months or more. On an arrival card, a resident identifies that they live in New Zealand, have been away for less than 12 months, and intend to stay in New Zealand for 12 months or more.

Resident population concept A statistical basis for a population in terms of those who usually live in a given area at a given time. The census usually resident population count is a census measure, and the estimated resident population is a demographic measure, of the resident population concept.

Residents and non-residents An individual or enterprise is a resident of New Zealand when their centre of economic interest is in New Zealand. Broadly, an individual is resident in New Zealand if they live in New Zealand for one year or more and their general centre of interest is New Zealand. This can apply to people who spend much of their time outside New Zealand, but still retain 'permanent' links with New Zealand. Resident individuals include: people whose usual place of living is New Zealand; New Zealanders living, travelling, or working abroad for less than a year; New Zealanders living abroad studying; and New Zealand diplomatic or military personnel. An entity is resident in New Zealand if it engages in producing goods or services in New Zealand. Resident entities include New Zealand-located subsidiaries of overseas companies, and New Zealand-located branches or partnerships of overseas entities. Individuals and entities not regarded as residents of New Zealand are defined as non-residents. Non-resident entities include overseas-located subsidiaries, associates, and branches of New Zealand companies.

Rounding Rounding of numbers involves replacing a given number with another one – the rounded number. In tables, rounding can create a discrepancy between a total shown and the total of individual cells in the table. Data may be rounded for ease of use, or for confidentiality reasons. Numbers are rounded when making statistical calculations, where it might not be possible, practical, or reasonable to record numbers to the last digit. Published statistics are often rounded to make them easily understood and readily comparable with other data. Such practices are quite acceptable, providing an adequate level of accuracy is retained.

Rural areas Those areas not specifically designated as 'urban'. Rural areas include towns with a population of fewer than 1,000 people, plus an administrative district (where this is not included in an urban area). Rural areas include offshore islands.

Salaries and wages Gross earnings during the accounting year of all paid employees (full time, part time, and casual). Included are: overtime, sick and holiday pay, bonuses, payments under penal-rate schemes, severance pay, value of free supplies, and sales commission paid to employees. Payments for working proprietors or partners are excluded.

Sample survey A type of survey in which only a representative part of the population of interest provides information. The sample statistics are summarised and used to estimate statistics for the full population.

Saving (national accounts) The residual item in the national income and outlay account. It is the amount of national disposable income left after current spending.

Seasonal adjustment Adjustment made to statistical time series (usually monthly or quarterly) to provide a refined series in which the estimated fluctuations due to seasonal variations are removed.

Short term Refers to financial instruments with an original maturity of less than one year.

Statistical discrepancy In the New Zealand System of National Accounts, items making up gross domestic product (GDP) and expenditure on GDP are estimated independently, using diverse data sources. The combination of survey and other measurement and timing errors in the various components results in a difference between the estimates, which is the statistical discrepancy.

Stocks Materials such as components, stores, fuels, containers and other packaging materials, as well as finished goods and work in progress, such as goods purchased for resale without further processing.

Subnational Geographical units of a country (eg area units, territorial authorities, and regional council and urban areas) whose boundaries are defined for administrative, legal, or statistical purposes.

Subsidies (national accounts) Current unrequited payments made by governments to enterprises on the basis of the levels of their production activities, or the quantity or value of the goods and services that they produce, sell, or import.

Taonga Treasure.

Taxes on production and imports (national accounts) Taxes payable on goods and services when they are produced, delivered, sold, transferred, or otherwise disposed of by their producers. Also included are taxes

and duties on imports that become payable when goods enter New Zealand, or when services are delivered to resident units by non-resident units. They also include other taxes on production, which consist mainly of taxes on the ownership or use of land, buildings, or other assets used in production, or on the labour employed, or compensation of employees paid.

Tenure (of household) Tenure refers to the nature of the occupancy of a private household in a home – whether the household rents or owns the home, and whether payment is made for that right. It does not refer to the tenure of the land on which the home is situated.

Terms of trade The ratio of goods export prices to goods import prices. Measures the purchasing power of New Zealand's merchandise exports in terms of its merchandise imports.

Trade credits Accounts payable to, and prepayments received from, non-residents for imports and exports of goods and services.

Transfers (balance of payments) Special counter-entries for one-sided transactions such as gifts of goods, services, and financial assets.

Transportation (balance of payments) Exports and imports of services associated with the international carriage of goods and passengers. Services include freight, air fares, freight insurance, port services, and stevedoring.

Travel (balance of payments) Expenditure by foreign travellers in New Zealand and New Zealanders travelling overseas.

Unemployed All people in the working-age population who, during the reference week, were without a paid job, were available for work, and had either actively sought work in

the past four weeks or had a new job to start within the next four weeks.

Unemployment rate The number of unemployed people expressed as a percentage of the labour force.

Urban areas Non-administrative areas with urban characteristics and a high to moderate concentration of population. Main, secondary, and minor urban areas are differentiated by population size. Urban areas are currently defined as: main urban areas – centres with populations of 30,000 or more; secondary urban areas – 10,000–29,999 people; minor urban areas – 1,000 or more people and not already classified as urban.

Value added (national accounts) The value added to goods and services by the contributions of capital and labour (ie, after the costs of bought-in materials and services have been deducted from the total value of output).

vfd (value for duty) The assessed value of merchandise imports on which duty is based. It approximates the current domestic value of goods in the exporting country.

Visitor from overseas In census statistics, a visitor from overseas is a person who self-identifies that they usually live overseas. In international migration statistics, a visitor from overseas is a person who self-identifies on an arrival card that they intend to stay in New Zealand less than 12 months.

Vital statistics Statistics for events such as births, deaths, and marriages.

Wāhi tapu Sacred place.

Whānau Family.

Working-age population Generally refers to the population aged 15 years and over.

Abbreviations

°C degrees Celsius	GHG greenhouse gas	NZST New Zealand Standard Time
ACC Accident Compensation Corporation	GP general practitioner (doctor)	NZTA New Zealand Transport Agency
ANZSCO Australian and New Zealand Standard Classification for Occupations	GPS global positioning system	NZTE New Zealand Trade and Enterprise
ANZSIC Australian and New Zealand Standard Industry Classification	GST goods and services tax	OCR official cash rate
APEC Asia-Pacific Economic Cooperation	HDC health and disability commissioner	OEA Office of Ethnic Affairs
ASEAN Association of Southeast Asian Nations	HLFS Household Labour Force Survey	OECD Organisation for Economic Co-operation and Development
ATM automated teller machine	HMNZS Her Majesty's New Zealand ship	OIA Official Information Act 1982
AVF Auckland volcanic field	HRC Health Research Council	PAYE pay as you earn (tax)
AVSN Auckland Volcanic-Seismic Monitoring Network	ICT information and communications technology	PCNZM principal companion of the New Zealand Order of Merit
BDM [Office of] Births, Deaths and Marriages	IELTS International English Language Testing System	PHARMAC Pharmaceutical Management Agency of New Zealand
BOP balance of payments	IIP international investment position	PHO primary health organisation
BPM5 <i>Balance of Payments Manual</i> , edition 5	IMF International Monetary Fund	PIF Pacific Islands Forum
CAA Civil Aviation Authority	INZ Immigration New Zealand	PJ petajoule
CER closer economic relations	IPONZ Intellectual Property Office of New Zealand	PTA policy targets agreement
COMU Crown Ownership Monitoring Unit	IPPC Intergovernmental Panel on Climate Change	PTE private training establishment
cif cost, including insurance and freight	ISO International Organization for Standardization	QC Queen's Council
CNZM Companion of the New Zealand Order of Merit	ISP Internet service provider	QMS quota management system
CPI consumers price index	ITO industry training organisation	QSO Queen's Service Order
CRI Crown research institute	kgMS kilogram of milk solids	R&D research and development
CTU Council of Trade Unions	LGOIMA Local Government Official Information and Meetings Act 1987	RMA Resource Management Act 1991
DHB district health board	LINZ Land Information New Zealand	RNZ Radio New Zealand
EC employee count	MAF Ministry of Agriculture and Forestry	RNZAF Royal New Zealand Air Force
ECE early childhood education	MAFBNZ MAF Biosecurity New Zealand	RS&T research, science and technology
EEC European Economic Community	MELAA Middle Eastern, Latin American, and African ethnic group	RSE recognised seasonal employer
EECA Energy Efficiency and Conservation Authority	MFAT Ministry of Foreign Affairs and Trade	RWT resident withholding tax
EEO equal employment opportunities	MMP mixed member proportional (electoral system)	SDR special drawing rights [banking]
EEZ exclusive economic zone	MoRST Ministry of Research, Science and Technology	SFO Serious Fraud Office
EFTPOS electronic funds transfer at point of sale	MP Member of Parliament	SOE state-owned enterprise
EQC Earthquake Commission	NCEA National Certificate of Educational Achievement	SME small and medium enterprises
ERMA Environmental Risk Management Authority	NGO non-government organisation	SPARC Sport and Recreation New Zealand
ERO Education Review Office	NIWA National Institute of Water and Atmospheric Research	SSC State Services Commission
ESR Institute of Environmental Science and Research	NQF National Qualifications Framework	SSE supplementary seasonal employer
EU European Union	NZCS New Zealand Customs Service	STV single transferable vote (electoral system)
FBT fringe benefit tax	NZ ETS New Zealand Emissions Trading Scheme	TAB Totalisator Agency Board
fob free on board	NZFSANZ New Zealand Food Safety Authority	TEC Tertiary Education Commission
FPP first past the post (electoral system)	NZGSS New Zealand General Social Survey	TUANZ Telecommunications Users' Association of New Zealand
FTA free trade agreement	NZQA New Zealand Qualifications Authority	TVNZ Television New Zealand
FTE full-time equivalent employee	NZRP New Zealand Residence Programme	UK United Kingdom
GAAP generally accepted accounting practice	NZSL New Zealand Sign Language	UN United Nations
GATT General Agreement on Tariffs and Trade	NZSNA New Zealand System of National Accounts	UNESCO United Nations Educational, Scientific and Cultural Organisation
GDP gross domestic product		vfd value for duty
		WCO World Customs Organization
		WTO World Trade Organization

Weights and measures

All statistics in this publication are in metric units.

Metric to imperial

Metric multiples

Length

1 millimetre (mm)	= 0.04 inches	1 centimetre	= 10 millimetres
1 centimetre (cm)	= 0.39 inches	1 metre	= 100 centimetres
1 metre (m)	= 39.37 inches	1 kilometre	= 1,000 metres
	= 1.09 yards		
1 kilometre (km)	= 0.62 miles		

Area

1 square metre (m ²)	= 10.76 square feet	1 hectare	= 10,000 square metres
	= 1.20 square yards	1 square kilometre	= 100 hectares
1 hectare (ha)	= 2.47 acres		
1 square kilometre (km ²)	= 247 acres		
	= 0.39 square miles		

Volume and capacity

1 cubic centimetre (cm ³)	= 0.06 cubic inches	1 cubic metre	= 1 million cubic centimetres
1 cubic metre (m ³)	= 35.31 cubic feet	1 litre	= 1,000 millilitres
	= 1.31 cubic yards	1 millilitre (ml)	= 1 cubic centimetre
1 litre (l)	= 1.76 pints	1 cubic metre	= 1,000 litres
	= 0.22 gallons		

Mass (weight)

1 gram (g)	= 0.04 ounces	1 kilogram	= 1,000 grams
1 kilogram (kg)	= 2.20 pounds	1 tonne	= 1,000 kilograms
1 tonne (t)	= 2,204.62 pounds	1 gigagram/kilotonne	= 1,000 tonnes
	= 0.98 tons		

Velocity

1 kilometre per hour (km/h) = 0.62 miles per hour

Pressure

1 kilopascal (kPa)	= 0.15 pounds per square inch	1 megapascal	= 1,000 kilopascals
1 megapascal (MPa)	= 0.07 tons per square inch		

Temperature

Degrees Fahrenheit (°F) °F = °C × $\frac{9}{5}$ + 32

Degrees Celsius (°C) °C = (°F - 32) × $\frac{5}{9}$

Energy

1 kilojoule (kJ)	= 0.95 British thermal units	1 megajoule (MJ)	= 1,000 kilojoules
	= 0.24 calories	1 kilowatt hour (kWh)	= 3.6 megajoules
		1 gigajoule (GJ)	= 1,000 megajoules
		1 terajoule (TJ)	= 1,000 gigajoules
		1 petajoule (PJ)	= 1 million gigajoules

Power

1 kilowatt (kW)	= 1.34 UK horsepower	1 kilowatt	= 1,000 watts
		1 megawatt (MW)	= 1,000 kilowatts
		1 gigawatt (GW)	= 1,000 megawatts

Index

In all cases the word New Zealand has been abbreviated to NZ to save space in the index.

Names of organisations starting with NZ may also be found in an inverted form (eg String Quartet, NZ) and organisations may found in a relevant subject area (eg Department of Conservation, listed under the main heading: Conservation).

Ministries, departments, government agencies, and other organisations cited in the Yearbook with a Māori name may be accessed by that name.

Acts of Parliament are included in the index when there is a major reference.

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