

STANDARD OF LIVING

Why is this important?

Social and economic trends are often closely related. A strong economy provides employment opportunities and income, which are vital to wellbeing. Employment also increases people's sense of self-esteem and community connection. In turn, educational attainment and other social outcomes contribute to Rotorua's ability to attract, and retain local industry and employment.

Standard of Living indicators

- Median household income.
- Unemployment.
- Income support.
- Sole parent families.
- Socio-economic inequality.

How are we doing?



Household income growth in the Rotorua District grew at an average rate of 1.2% per annum over the period 1996 to 2006, compared to 2.1% for New Zealand as a whole.

One thousand, one hundred and fifty people were registered as receiving the Unemployment Benefit at Rotorua service sites as at June 2012, up 2.86% from 1,118 in June 2011. Unemployment Benefit figures at the national level decreased by -11.81% over the same period.

The percentage of Rotorua 0-4 year-olds in sole-parent families increased to 34% in 2006, compared to 32.9% in 1991.

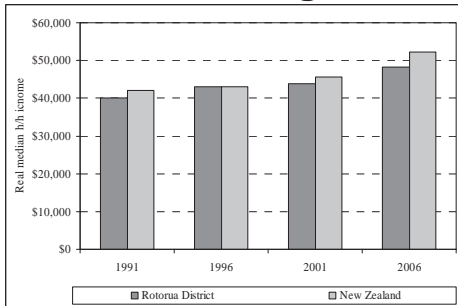
Close to forty-six percent of the district population live in areas that are considered the 30% most deprived in the country.

Median Household Income

Why is this important?

Income is a key contributor to overall quality of life. Household income levels determine how much can be spent on food, housing, clothing, health care and other goods and services. Median or average household income is a key indicator of socio-economic status.

How are we doing?



Real median household income (June 2006 dollars), Rotorua District and New Zealand, 1991-2006

Source: Statistics New Zealand/ Census

In real terms (adjusted to June 2006 dollars) median household income in the Rotorua District increased to \$48,325 in 2006, from \$43,081 in 1996. The 2006 figure is approximately \$3,800 per annum below the national median household income of \$52,183.

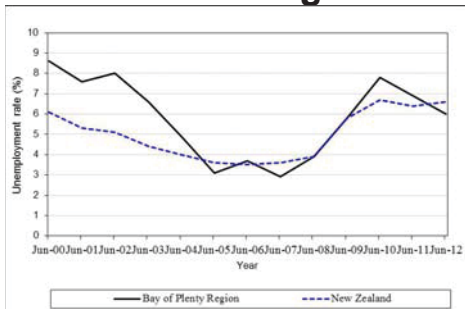
Real household income growth in the Rotorua District grew at an average rate of 1.2% per annum over the period 1996-2006 compared with 2.1% per annum for New Zealand as a whole. Note, there are considerable income disparities between households within the district, including different suburbs and rural communities.

Unemployment Rate

Why is this important?

The unemployment rate is a reflection of overall economic conditions and the ability of people to find suitable jobs. Unemployment restricts earning potential and is associated with crime and other social costs. Unemployment can isolate people from society and cause them to lose self-confidence. There is also evidence that welfare dependency can become entrenched within a community.

How are we doing?

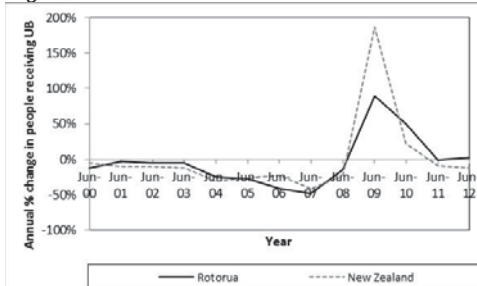


Unemployment rate, Bay of Plenty and New Zealand, 2000-2012

Source: Statistics New Zealand/Household Labour Force Survey

Note: This data has not been seasonally adjusted, as Statistics New Zealand does not produce seasonally adjusted rates by region.

Census results show that the Rotorua District unemployment rate fell to 6.6% in 2006, from 8.9% in 2001. In comparison, the national unemployment rate in 2006 was 5.1%. The unemployment rate for Maori residents in the Rotorua District in 2006 was 12.8%, compared to 11.0% for all Maori in New Zealand. The unemployment rate for the 15-24 years age group in the Rotorua District in 2006 was 16.3% (900 young people), compared to 13.3% for all New Zealand young people.



Annual percentage change in people receiving Unemployment Benefit, Rotorua District and New Zealand, 2000-2012

Source: Work and Income

Note: This is not an official measure of unemployment. Trends may be due to Government policy changes rather than structural changes in unemployment (for example in terms of UB eligibility criteria).

Quarterly information on unemployment at the regional level is available from Statistics New Zealand's Household Labour Force Survey (HLFS). The HLFS is based on a random sample of 30,000 New Zealand residents undertaken once every three months. The results are the most accurate and timely information on regional employment and unemployment in New Zealand. According to the latest HLFS results, the Bay of Plenty regional unemployment rate fell to 6% in the June 2012 quarter, compared to 6.9% in the June 2011 quarter, but remained above 3.9% in the June 2008 quarter. The national average unemployment rate for June 2012 was 6.6%. New Zealand's unemployment rate for June 2012, seasonally adjusted, was 7.3%. This gave New Zealand the fourteenth lowest unemployment rate out of 34 OECD countries that produce harmonised unemployment rates.

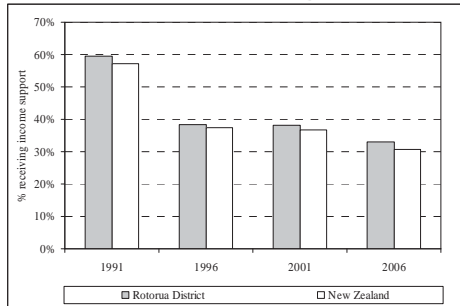
In addition to census and HLFS information, the Work and Income service tracks the number of people receiving an Unemployment Benefit from each of its work service sites, at the end of each month. There were 1,150 people receiving the Unemployment Benefit in the Rotorua District as at June 2012, up 2.86% from 1,118 in June 2011. Unemployment Benefit figures at the national level went down by -11.81% over the same period.

Income Support

Why is this important?

The prevalence of people receiving benefit-related incomes is an indicator of living standards in the community. Reliance on welfare benefits can limit the earning potential of individuals, and families.

How are we doing?



Percentage of people aged 15 years and over receiving income support, Rotorua District and New Zealand, 1991-2006

Source: Statistics New Zealand/ Census
 Note: The 1991 figures include Family Benefit payments.

The five-yearly census asks respondents to indicate all the ways they received income in the previous 12-month period. In 2006, based on the total population aged 15 years and over, 60.8% of Rotorua residents received income from wages, salary, commissions, bonuses etc; 20.5% received income from interest, dividends, rent and other investments; 15.7% received income from self-employment or business, and 14.3% received income from NZ Superannuation or Veterans' Pension. These figures add up to more than 100% because this is a multiple response item.

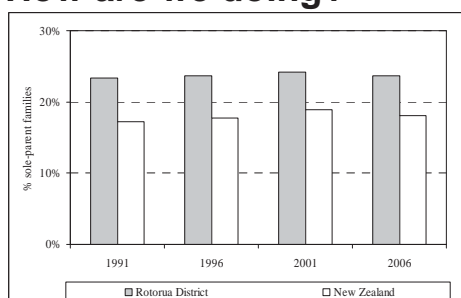
At both the local and national level the proportion of people receiving income support decreased over the period 1991-2006. This corresponds with a period of substantial welfare reforms, including the removal of Family Benefit payments between 1991 and 1996. Between 1996 and 2006 the percentage of Rotorua people receiving some form of income support fell to 33.1% from 38.4%, and the percentage nationally fell to 30.6% from 37.5%.

Sole-parent Families

Why is this important?

Sole-parent families often have limited earning potential. This has implications for the health, education and future earning opportunities of the children growing up in these families. It also has implications in terms of crime and other social costs in the future.

How are we doing?



Sole-parent families, Rotorua District and New Zealand, 1991-2006

Source: Statistics New Zealand/ Census

The Rotorua District has a relatively high proportion of sole-parent families. The proportion of sole-parent families in the Rotorua District has declined from 24.2% (3,981) in 2001 to 23.7% (4,116) in 2006. However, the percentage of sole-parent families within the Rotorua District remains higher than the national average, which has seen a decline in the number of sole-parent families from 18.9% (182,919) in 2001 to 18.1% (193,635) in 2006. Sole-parent families are particularly prevalent in the western suburbs of Rotorua.

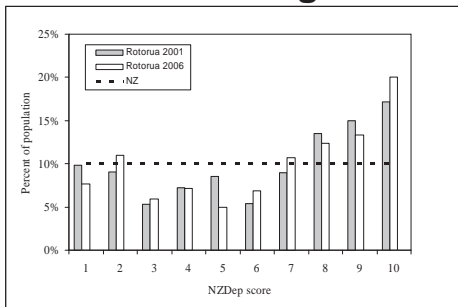
More than one-third of Rotorua children aged 0-9 years are living in sole-parent families. The percentage of Rotorua 0-4 year-olds in sole-parent families increased to 34% in 2006 from 32.9% in 1991, while the percentage of 5-9 year-olds in sole-parent families increased to 37% in 2006 from 31% in 1991.

Socio-economic Inequality

Why is this important?

Research has found a strong link between socio-economic gaps, and personal and community health and wellbeing. Social and economic inequality is also associated with social tension.

How are we doing?



NZDep Index, Rotorua District and New Zealand, 2001 – 2006

Source: Health Services Research Centre / Ministry of Health

The NZDep Index (Dep = deprivation) is a weighted average of nine key census indicators of socio-economic status. The components of the index include: levels of home ownership; household income; prevalence of income support and unemployment; lack of access to a motor vehicle and telephone; overcrowding; sole-parenting, and low educational attainment. The NZDep Index divides New Zealand into equal tenths, whereby a score of 10 indicates that a geographic area is in the most deprived 10% of all areas in New Zealand. The scoring system is interpreted in the opposite way to the Ministry of Education’s decile rating system for schools.

Between 2001 and 2006 a number of suburbs and rural communities in the Rotorua District were downgraded on the NZDep Index, while others were upgraded. Areas that scored a 10 on the index in 2006 include central city areas (Kuirau, Victoria and Glenholme West), several of the western suburbs (Fordlands, Pukehangi North, Western Heights, Koutu and Selwyn Heights), Whakarewarewa in the south, Ngapuna in the east and the rural settlement of Kaingaroa Forest.

Overall the Rotorua District scored a 7 on the NZDep index, which is the same as in previous census years. In 2006 there were more Rotorua residents living in very deprived areas (with NZDep score of 10) compared to 2001, and also fewer residents living in high socio-economic areas with NZDep score of 1.

In total, 45.7% of the district population live in areas that are considered the 30% most deprived in the country. However, in comparison with neighbouring areas the Rotorua District is relatively advantaged (e.g. Eastern Bay of Plenty areas).