

Current issues for the 51st Parliament

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Te Pātaka Rangahau a Te Whare Pāremata

Introduction from the Parliamentary Librarian

To new and returning members

Welcome to the 51st Parliament and to the Parliamentary Library.

Current issues for the 51st Parliament is a compilation of concise briefings on a very small sample of issues that may be of interest to you as a member of Parliament over the next three years. The topics range from the Bill of Rights to income tax to cycling, so I hope there is something here of immediate use.

The Library keeps all requests confidential and we work to your deadlines wherever possible.

The Parliamentary Library was first established in 1858, and so has a long tradition of supporting the work of Parliament. We are looking forward to helping the members of the 51st Parliament.

I am very grateful to the many people on the Library staff, led by a project team, who contributed to this publication. Our Research Services Analysts and Senior Librarians researched and wrote the papers. The authors used a wide range of sources which are available on request. Others helped with fact-checking and proof-reading, and our Research Resources team ably managed the publication process.

Barbara McPhee
Parliamentary Librarian



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Population: age and ethnicity

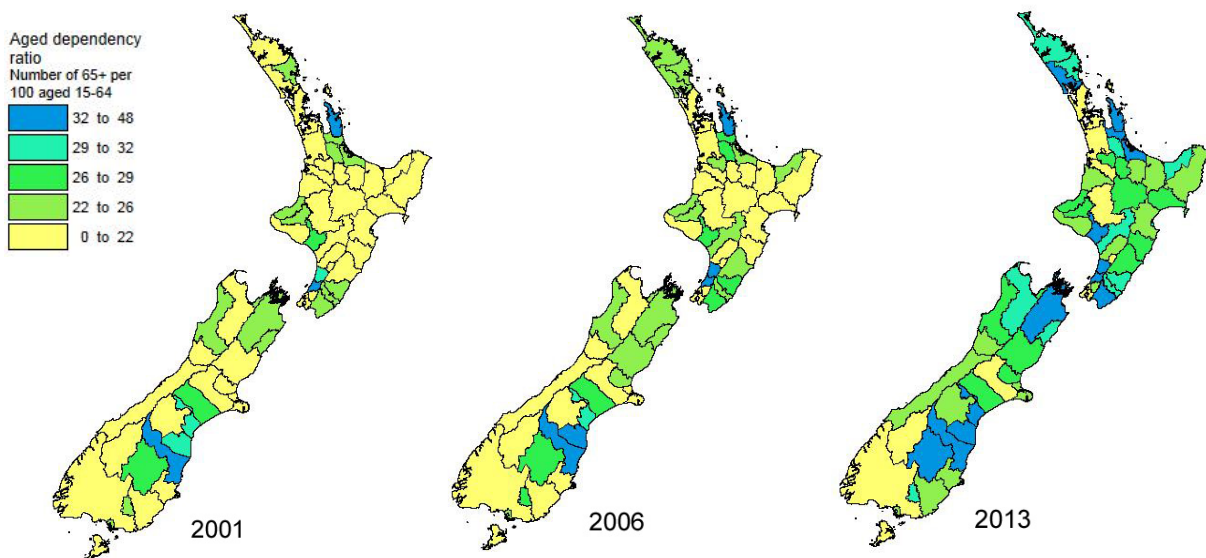
Ageing population

The population aged 65 years and over increased by 22 percent between the 2006 and 2013 censuses. The rest of the population (those aged 0–64) increased by 3 percent (the 0–14 group stayed about the same and the 15–64 age group increased by 4 percent). The population aged 65 years and over has grown faster than the rest of the population for some time; however, this gap has increased in the 2006 to 2013 intercensal period. Between 2001 and 2006, the growth of the 65 years and over group was 3 percentage points above the growth of the rest of the population (11 percent versus 8 percent); this increased to 19 percentage points (22 percent versus 3 percent) in 2006 to 2013. This disparity in growth rates is also reflected in an increased median age. In 2001, 2006, and 2013 the median age was 35, 36, and 38 respectively. The population aged 65 years and over has gradually increased from 12 percent of the total population in 2006 to 14 percent in 2013.

The population aged 65 and over has increased in all territorial local authorities between the 2006 and 2013 censuses. At the same time the population aged under 65 has decreased in 36 of the 67 areas. In the Ruapehu District the population aged under 65 decreased by 15 percent while the population aged 65 and over increased by 10 percent (the overall population decreased by 13 percent).

The growth of the population aged 65 and over compared to that of the population aged 15–64 years is shown in the maps below. The maps below show the changing aged-dependency ratio, this is the number of people aged 65 years and over per 100 people aged 15–64 years. While this is a crude measure of “dependency” it is useful to demonstrate structural changes in different parts of New Zealand. In the maps below darker areas indicate a higher aged dependency ratio.

Aged-dependency ratio (number of people aged 65 and over per 100 people aged 15–64) by territorial local authority, 2001, 2006, and 2013



Ethnic diversity

Between 2006 and 2013 the Asian population in New Zealand increased by 117,000 to 472,000 (a 33 percent increase). The Māori population increased by 33,000 (6 percent), Pacific peoples by 30,000 (11 percent), and Middle Eastern, Latin American, and African by 12,000 (35 percent). The European population grew by 360,000 (14 percent) but part of this is likely due to 360,000 fewer people identifying as “New Zealander” in 2013 (“New Zealander” is counted in the “Other” ethnic group).

Those identifying as Asian or Pacific peoples are twice as likely to live in Auckland as the total population (65 percent of both groups compared to 33 percent of the total population). The table below shows the differences between Auckland and the rest of the country. Almost a quarter of those living in Auckland identified as Asian and 15 percent as Pacific peoples, compared to 6 and 4 percent respectively for the rest of the country. There is considerable variation within Auckland itself. In the Puketāpapa and Howick local board areas the Asian population comprised 44 and 39 percent of the populations respectively. In the Māngere-Ōtāhuhu local board area, 60 percent of the population identified as Pacific peoples.

Ethnic identity of people in NZ, Auckland and NZ outside Auckland (percent), 2013

Ethnic group	New Zealand	Auckland	Outside Auckland
European	74	59	81
Māori	15	11	17
Asian	12	23	6
Pacific peoples	7	15	4
Other*	2	1	2
MELAA**	1	2	1
Total all ethnic groups	100	100	100

* Includes “New Zealander”. ** Middle Eastern/Latin American/African.

According to the 2013 census, a quarter of the New Zealand population was born overseas (up from 19 percent in 2001 and 23 percent in 2006). In Auckland, 39 percent of the population was born overseas (the highest proportions are in the Puketāpapa and Howick local board areas where over half the population were born overseas) followed by the Queenstown-Lakes District with 32 percent and Wellington City with 31 percent. At the other end of the scale, only 5 percent of those living in the Chatham Islands Territory were born overseas, followed by the Wairoa District with 6 percent.

Sources

Statistics New Zealand [2013 New Zealand Census of Population and Dwellings](#).

Daryl Slatter, Research Services Analyst



Population change

New Zealand

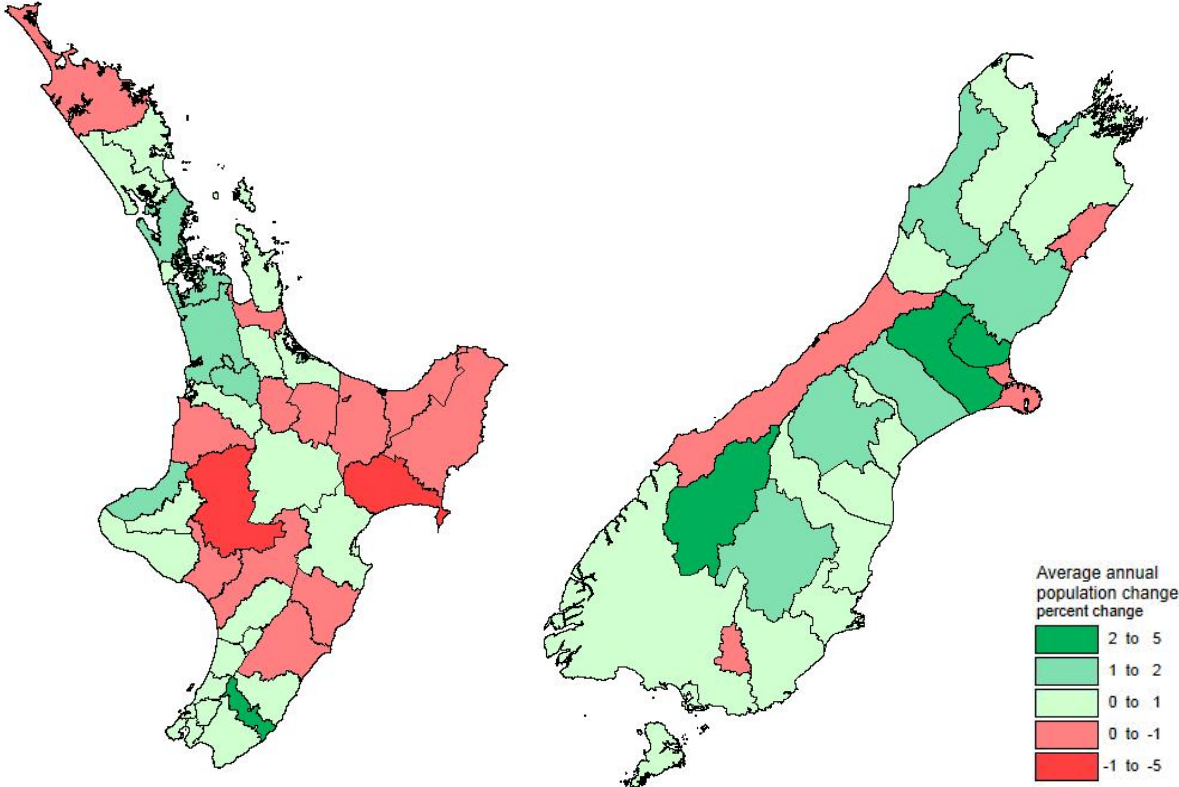
In the seven years between the 2006 and 2013 censuses, the population of New Zealand increased by 214,000 to 4.24 million. This represents an overall population increase of 5 percent. In general, the population around the country grew at a slower average annual rate than in the 2001 to 2006 intercensal period (where it increased by 291,000, or 8 percent, over a five-year period). The average annual increase between 2006 and 2013 was about half that of 2001 to 2006 (0.7 percent versus 1.5 percent).

Different areas in New Zealand experienced quite different population changes. Changes between 2006 and 2013 largely continued existing trends, with some exceptions. Maps 1 and 2 below show a short-term (2006 to 2013) and long-term (1996 to 2013) average annual population change in New Zealand's 67 territorial local authorities. In general terms, the central North Island and the southern part of the South Island have experienced an average annual decline in their population over the 17-year period between the 1996 and 2013 censuses. Some areas, such as the southern part of the South Island and parts of Taranaki, reversed this average annual trend in the 2006 to 2013 intercensal period and experienced population growth. Also demonstrated in the maps below is the effect of population movements out of Christchurch City as a result of the 2010 and 2011 earthquakes. The city's population declined between 2006 and 2013 despite an average annual increase in population for the 1996 to 2013 period.

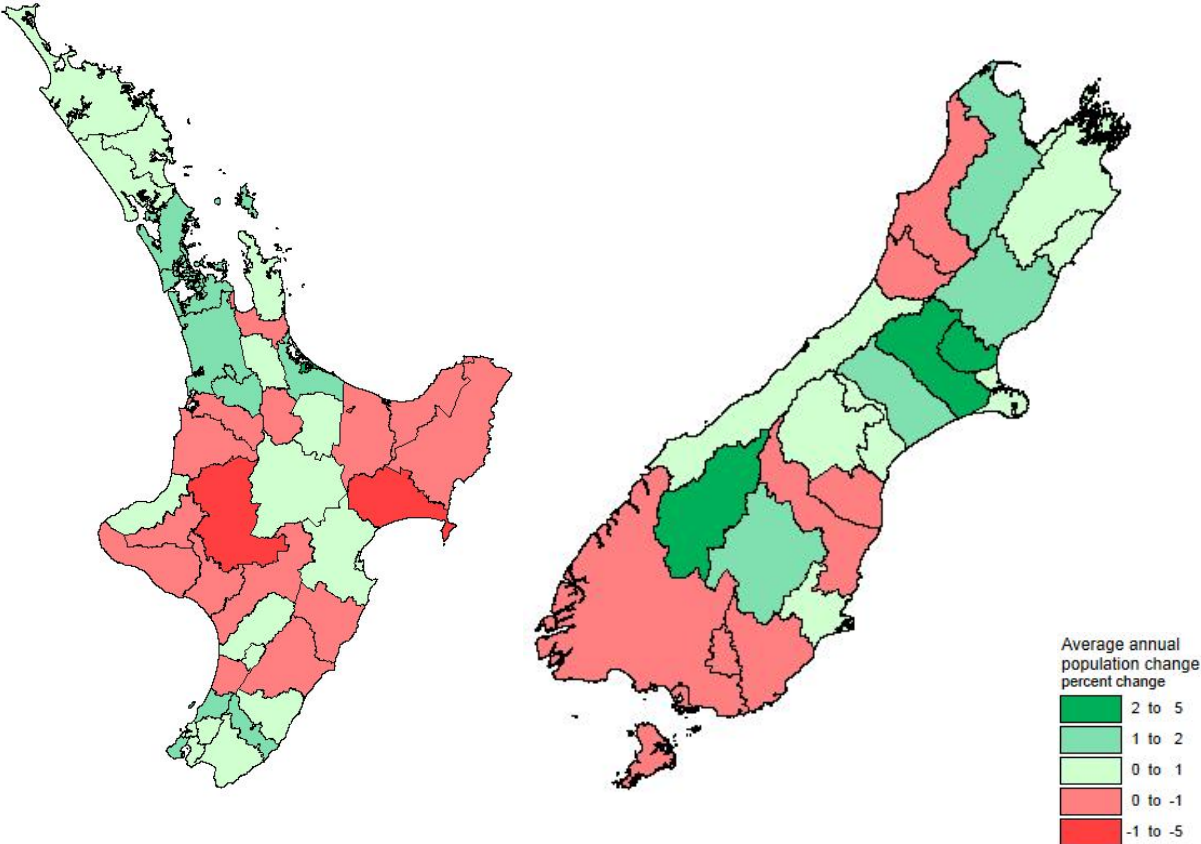
Particular areas in the central North Island have seen a steady decline in their population across both the longer-term (1996 to 2013) and shorter-term (2006 to 2013) periods. Between 1996 and 2013, for example, the Ruapehu District's population decreased by almost a third (a decrease of 5,000 people) and Wairoa District by a fifth (2,000 people). In the 2006 to 2013 period the Ruapehu District again had the largest proportional decrease in population (13 percent). In this same period the Wairoa District's population decreased by 7 percent, the third largest after the Kawerau District (8 percent). The largest actual decrease in population between 2006 and 2013 was in Christchurch City where the population decreased by about 7,000 (a 2 percent decrease).

At the other end of the scale, the population in Queenstown-Lakes District almost doubled between 1996 and 2013 (from a population of 14,000 to 28,000), followed by the Selwyn District with an 80 percent increase. Growth in the Selwyn District is not entirely due to population movements following the Christchurch earthquakes. While the district did have strong growth of 33 percent between 2006 and 2013, it also experienced growth in both the 1996 to 2001 (10 percent) and 2001 to 2006 (23 percent) intercensal periods.

Map 1: Average annual population change (percent), 2006 to 2013



Map 2: Average annual population change (percent), 1996 to 2013

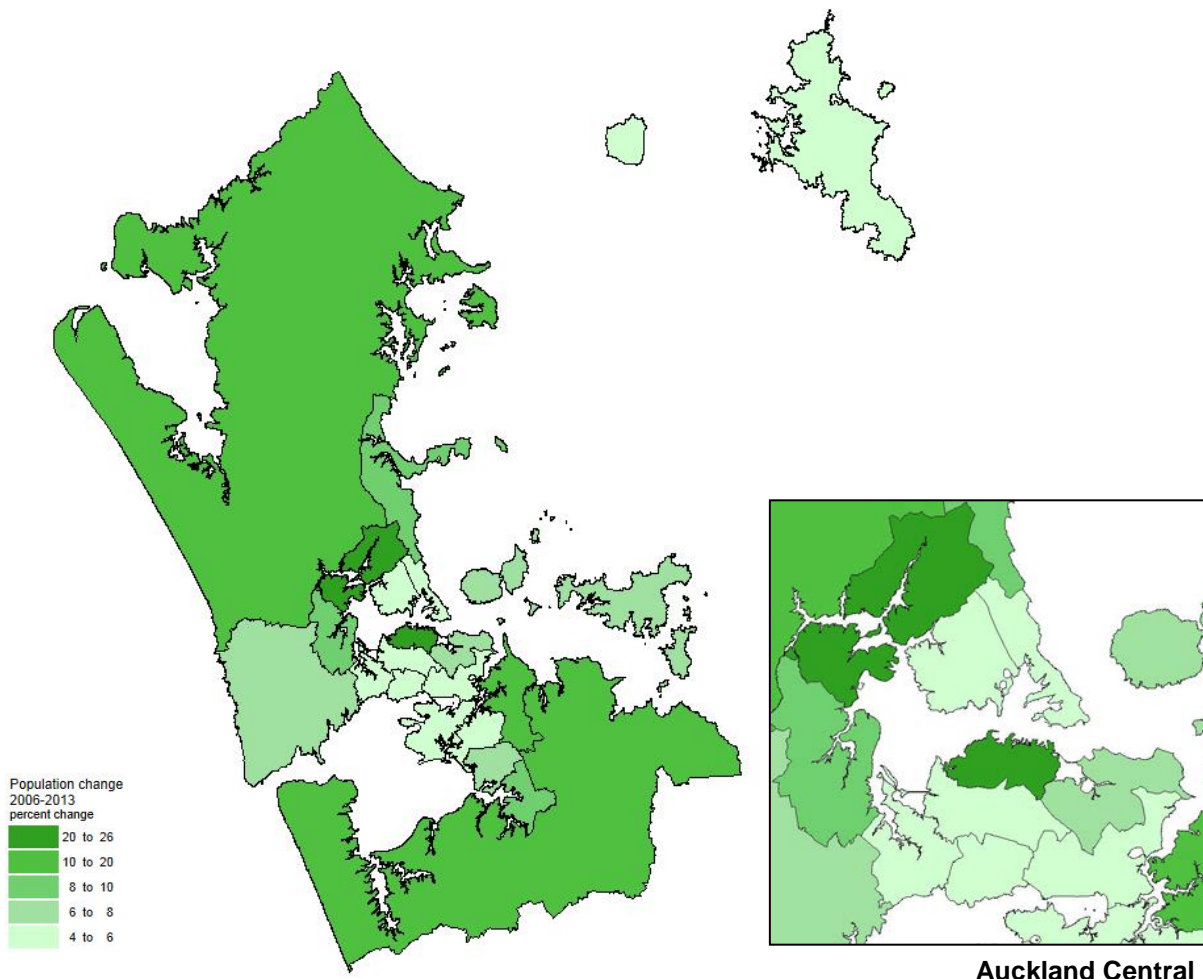


Auckland

Growth in Auckland accounted for over half of the total population growth in New Zealand in both the 1996 to 2013 and 2006 to 2013 periods (accounting for 55 and 52 percent of total growth respectively). Auckland's population increased from 1.07 million to 1.42 million between 1996 and 2013. The proportion of New Zealanders living in Auckland steadily increased from 30 percent in 1996 to 33 percent in 2013. Within Auckland the fastest growth was in the Upper Harbour local board area, which more than doubled between the 1996 and 2013 censuses (increasing by 130 percent), followed by Waitemata, which grew by 80 percent. The only local board area in Auckland that did not increase in population between 1996 and 2013 was the Great Barrier local board area, which lost a fifth of its population (although because of its relatively small population this represents an actual change in population from 1,200 to 900).

Auckland also experienced strong population growth between 2006 and 2013. In this seven year period, Auckland added the equivalent of Tauranga City to its population. In this period, Auckland's population grew by 8 percent and all local board areas increased their population by at least 4 percent in this period. However, there was still considerable variation in growth, as the map below shows. Upper Harbour and Waitemata had the strongest growth with 25 and 23 percent growth respectively.

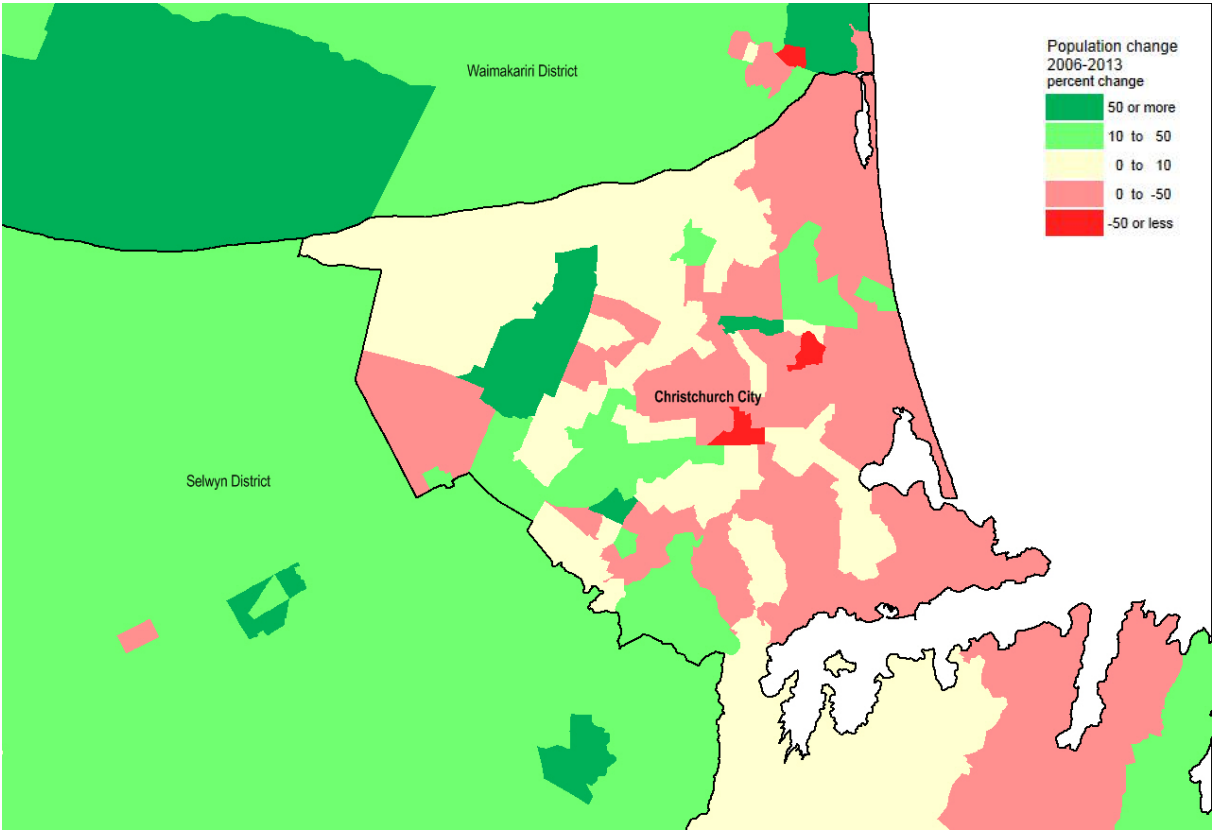
Map 3: Population change (percent) by local board area, 2006 to 2013



Christchurch

While Christchurch City experienced a 2 percent decline in population in the 2006 to 2013 period, this is a break from the longer-term (1996 to 2013) trend of average annual growth in the area. The city grew by 25,000 (8 percent) between 1996 and 2013, experiencing growth in both the 1996 to 2001 (2 percent) and 2001 to 2006 (8 percent) intercensal periods. The population in the greater Christchurch area (comprised of Christchurch City, Selwyn District, and Waimakariri District) grew by 11,000 people (3 percent) between 2006 and 2013; however, where people were living in the area changed. While the Christchurch City population decreased by just under 7,000 people, the neighbouring districts of Selwyn and Waimakariri grew by over 18,000. In 2013, 14,000 people living in the Selwyn and Waimakariri Districts had lived in Christchurch City in 2008. The map of the Christchurch area below shows the general decline in population in the east of the city (the areas worst affected by the earthquakes) and highlights pockets of growth in the west and in the Waimakariri and Selwyn Districts.

Map 4: Christchurch population change (percent), 2006 to 2013



Source

Statistics New Zealand [2013 New Zealand Census of Population and Dwellings](#).

Daryl Slatter, Research Services Analyst

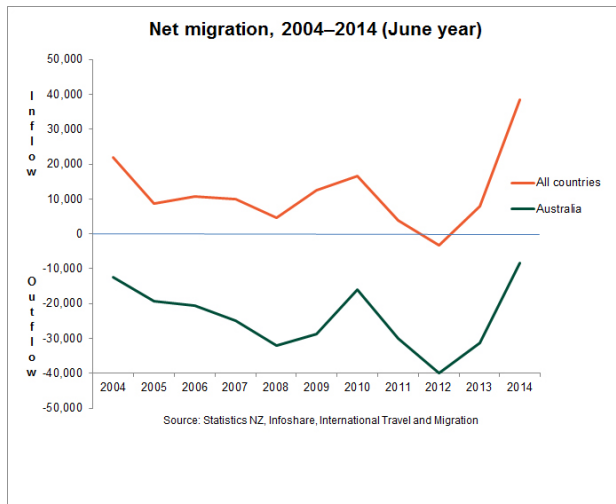


Immigration

Migration trends are crucial to New Zealand's development. New Zealand is a very mobile society and is particularly dependent on global travel and migration flows. The annual combined totals of short-term visitors entering and New Zealanders leaving the country matches the country's population. In the 2000s, in terms of residence, New Zealand experienced both the highest rate of immigration and the highest rate of emigration within the developed world.

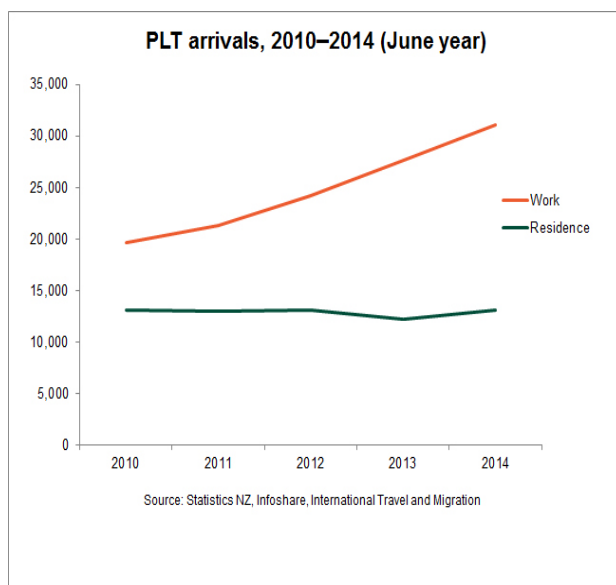
Trends

Vital recent developments are that the net outward flow to Australia has diminished greatly and immigration from Asian countries, and particularly from China and India, has strengthened considerably. This is against a background in recent years of static numbers of those arriving for residence combined with substantial increases in those arriving on longer-term work visas.

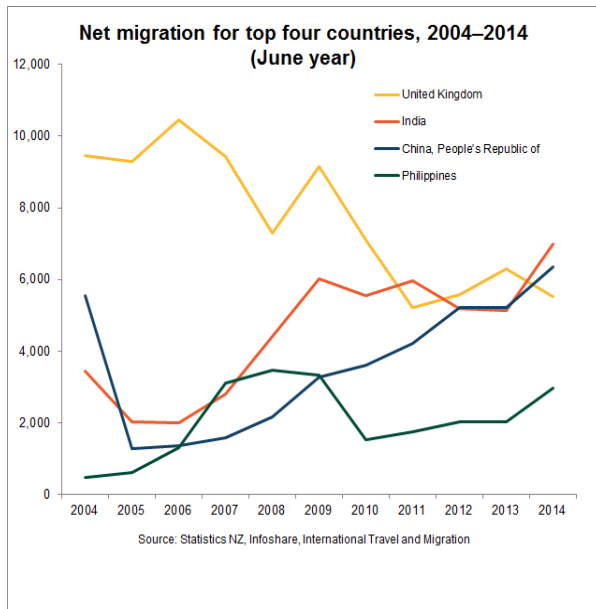


The [Migration Trends](#) report summarises the current situation. In the year to June 2014 more than 100,000 (100,800) people migrated to New Zealand, a figure not attained before. Departures declined substantially to 62,400. The overall net gain of 38,300 was the largest since 2003 and is above current Reserve Bank projections.

The annual net loss to Australia declined to a low level (8,300) and is expected to become a net gain before too long. For the month of June 2014 Australia–New Zealand outward and inward flows were in balance.



The substantial net migration in recent months has caused the highest population growth in the last decade. There have been strong inflows in the 20 to 34 year age group and for those on temporary work visas. The numbers on long-term (12 months or more) temporary work visas have increased markedly while permanent and long-term residence arrivals have been flat. The United Kingdom, India and China are the leading countries on temporary work visas. Those on Working Holiday Scheme visas have increased markedly in the last decade, reaching 57,626 in 2013/14. The numbers on international student visas, having declined previously, rose considerably to 73,510. China (27%) and India (19%) are the largest contributing countries.



In the year to June 2014 India, China, the UK and the Philippines made the greatest net migration contribution to New Zealand. India and China have just overtaken the UK (see graph). The number of resident visas tapered off in recent years but has increased substantially to 44,008 in 2013/14, as indicated in the [Migrant Trends](#) report. More than half (52.1%) of the total are in the Skilled/Business stream and another 40.3% in the Uncapped and Capped Family Streams. The Skilled Migrant Category comprised 46.1% of the total. It experienced a substantial increase in the last year as a flow-on effect to residence of the increase in Essential Skills temporary workers. China has recently overtaken the UK as the largest source country overall (17%) with India at 14% and the UK at 12% of approvals.

Immigration policy

The parameters of policy set in the 2000s have been maintained, with some fine-tuning. There is now a two-year target of 90,000 to 100,000 places for residence, replacing the previous three-year target. There has been increasing emphasis on the Skilled Migrant Category, a tightening of the Family stream, and a rejuvenation of the Business scheme. However, immigration policy has a limited impact compared to varying economic conditions and fluctuating flows of migrants globally and between Australia and New Zealand. Permanent and long-term migration is greatly influenced by the movement of New Zealanders. Flows can change in scale and direction very quickly. If return migration gains momentum its implications will be “immense” because 15% of New Zealand's population lives in Australia. It is especially important to understand these patterns and how they shape the economy and society.

The future

After a period during the recession when there was a net migration loss, New Zealand is now experiencing an increasing net migration gain. This change is expected to be reinforced by the need for skills for the Canterbury rebuild and by a trend towards New Zealanders returning from Australia. The forecast is for the net migration gain to increase as New Zealand recovers from the recession. The impact of these flows on the labour market may restrain wage growth.

Migration's contribution to population growth is likely to increase in future as natural increase decreases steadily as New Zealand's population ages. A substantial inflow of migrants will boost economic activity but will also increase inflationary pressure due to its impact on consumer demand and housing and house prices. It will also accelerate the rapidly developing diversity of society. One quarter of the population in 2013 was born in another country. New Zealand has been described as “increasingly, a country with multiple ‘national’ identities and values.” There remains a tension between New Zealand's global migration integration and views about the development of New Zealand society.

Dr John E Martin, Research Services Analyst



New Zealand's rankings on the OECD's measures of well-being

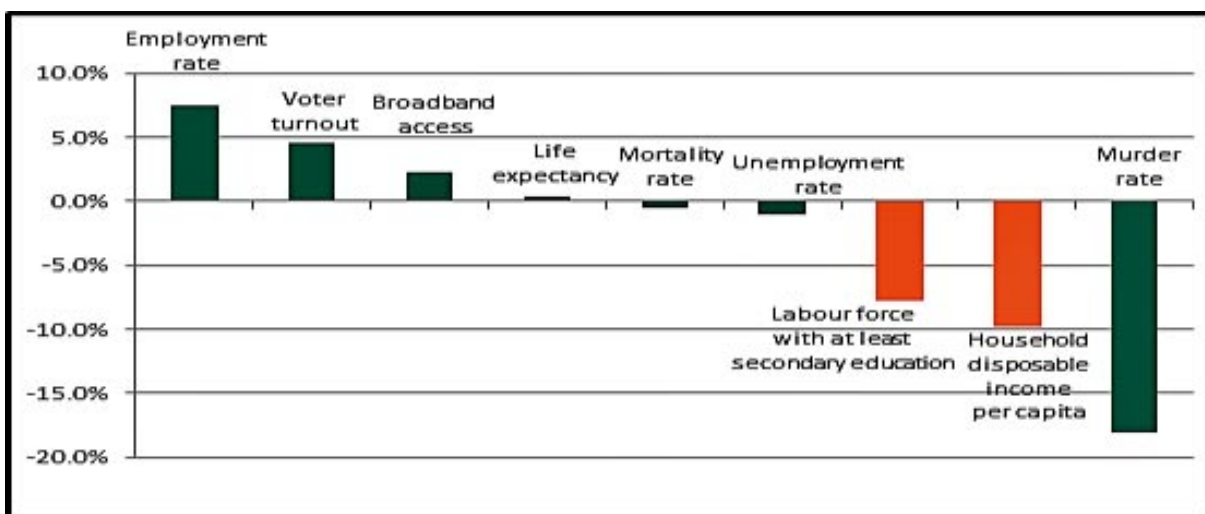
Although gross indicators of economic performance such as gross domestic product (GDP) continue to be emphasised, there is a growing appreciation that policy makers must go beyond limited economic statistics if a fuller picture of well-being and societal progress is to be measured. Additionally, if more encompassing measures of well-being in developed nations are used, they enable comparisons—both over time and across regions. This provides a way for policy makers to evaluate what works, for governments to maximise the return on their investment in public programmes, and for communities to target the improvements they need to make.

Recently released regional well-being data from the Organisation for Economic Co-operation and Development (OECD) provides information about where the 34 member countries and their regions rank on eight well-being measures that matter in people's lives: jobs, income, education, health, civic engagement, safety, access to services, and environment. Those eight measures are based on ten objective statistical indicators: employment and unemployment rates, household income, level of education in the workforce, life expectancy, mortality rates, voter turnout, homicide rates, broadband access, and particulate matter in the air.

Figure 1 below shows that New Zealand as a whole is in the top half of the OECD (performing better relative to the OECD median) across seven of the nine indicators released by the OECD: employment rate (7.5 percentage points above the median); voter turnout (4.6 percentage points above); broadband access (2.3 percentage points above); life expectancy (0.4 percent above); the murder rate (18.0 percent below the OECD median); the unemployment rate (1 percentage point below); the mortality rate (0.5 percent below the OECD median).

For example, three-quarters (75.1 percent) of the New Zealand workforce is employed, which is 7.5 percentage points above the OECD employment rate of 67.6 percent. New Zealand ranks as the seventh-highest in the OECD on this measure of well-being.

Figure 1: New Zealand's measures of well-being relative to the OECD median



Source: OECD Regional Well-Being; <http://www.oecdregionalwellbeing.org/>

New Zealand also ranks comparatively well in terms of safety (13 out of 34), which is measured by the murder rate. On this measure the country's 0.96 murders per 100,000 people is 18.0 percent below the OECD median of 1.18, meaning that 12 of the 34 members of the OECD have lower murder rates than New Zealand. The OECD also provides regional data, which shows the North Island's murder rate of 0.98 murders per 100,000 people is around nine percent higher than the South Island's rate of 0.90 murders per 100 000 people.

New Zealand's best ranking is in the environment category (as measured by the level of air pollution), where it is ranked first equal with Iceland. However, the actual data on air pollution, measured by concentrations of particulate, will not be released until October 2014 and so New Zealand's performance relative the OECD median cannot be shown in Figure 1.

New Zealand's rankings in the health category are close to the OECD median in the two measures recorded. New Zealanders have a life expectancy of 81.2 years, just above the OECD median of 80.9 years—New Zealand ranks 13 of 34 on this measure. New Zealand's mortality rate of 7.8 deaths per 1,000 people was also slightly better than the OECD median of 7.9 deaths per 1,000 people.

New Zealand is in the bottom half of the OECD on two of nine OECD indicators as shown in Figure 1: household disposable income per capita (9.8 percent below the OECD median); and percentage of the labour force with at least a secondary education (7.7 percentage points below the median).

Although almost three-quarters (73.3 percent) of the New Zealand labour force has a secondary education, this is the eighth-lowest share among the 34-member OECD and New Zealand's lowest rank overall (27th). Only seven OECD countries have lower shares: Greece (70.1 percent); Iceland (67.0 percent); Italy (64.6 percent); Spain (58.4 percent); Portugal (41.1 percent); Mexico (40.0 percent); Turkey (38.3 percent).

New Zealand also ranks comparatively low (21st) in average household disposable income per capita where the figure of \$14,164 (\$US PPP) places the country in the bottom half of the OECD. The North Island's average household disposable income of \$13,768 is around nine percent lower than that of the South Island's \$15,435. However Australia has the largest variation in regional income where Tasmania's average household disposable income of \$21,417 per capita is 92 percent below that of the Australian Capital Territory (\$41,051).

Apart from the variation in average household disposable income noted above, the biggest differences between the North and South Island were found in the employment rate (85.7 percent in the South Island; 71.8 percent in the North Island), and the unemployment rate (5.0 percent in the South Island compared to 7.1 percent in the North Island).

Overall, New Zealanders have a similar level of well-being to people living in Northern Norway, Iceland's capital region, north-middle Sweden, and Canada's Prince Edward Island.

Source

OECD [OECD Regional Well-Being: A Closer Measure of Life](#).

Dr John Wilson, Research Services Analyst



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Women's representation in Pacific Island parliaments

Many Pacific Island countries have a pool of well educated women who are already leaders in various fields. In many countries, also, women have traditionally been valued as complementary partners to men, with specialised knowledge and functions to ensure the well-being of society.

In the political sphere, however, women are generally severely under-represented. Political leadership has, historically, been a male preserve, and a strong conservatism tends to discourage women from standing as candidates and to discourage voters, chiefs, 'big men', or local assemblies from backing women MPs. Other barriers to women's political advancement include unequal access to land, titles, and wealth. In some countries girls' access to education is still limited, and women's roles in and contribution to the formal and informal economies are regarded as secondary.

Speaking recently at the [second Pacific Women's Parliamentary Partnership Forum](#), HRH Princess Mele Siu'ilikutapu Kalaniuvalu Fotofili of Tonga emphasised the importance of balanced gender representation in parliament:

Legislatures are the core institutions of democracy, and are elected by the populace in all nations, and this populace consists of men and women who are in fairly equal ratios. However, when the gender representation in their legislatures are so highly imbalanced, the women's points of view are consequently 'disenfranchised', and the true spirit of democracy wherein direct representation is a core factor, is seriously compromised.

... Gone are the days when the women's wisdom, perspectives and judgments are conveyed to parliaments through second persons. All Parliaments are the poorer when they do not have the full and direct participation of both genders.

Greater representation of women in parliament

Recent measures to increase women's parliamentary representation have focussed on three strategies in particular. Women have been encouraged and assisted to stand for election through initiatives such as workshops and practice parliaments. Political parties have been required or prompted to meet gender quotas in their selection of candidates. In some parliaments seats have been reserved for women in order to ensure they have a minimum representation.

Support for women candidates

Practice parliaments, such as those held in the Solomon Islands and Tonga this year in the lead up to the elections, aim to boost their participants' confidence and inspire them to stand for election by introducing them to parliamentary protocol and procedure. Practical advice on campaigning may also be part of a practice parliament, or special campaign workshops may be held for potential women candidates and their supporters. A campaign workshop for women was organised in the Cook Islands prior to the recent snap election and a candidate capacity strengthening workshop has been held for women intending to stand in Fiji's election. In Samoa there are plans to increase women's representation substantially in the next Legislative Assembly by identifying winnable constituencies, mentoring potential candidates and mobilising the support of both men and women voters.

Electoral quotas

In proportional representation electoral systems, where the parties are sufficiently strong, party lists comprising candidates of each gender alternately can significantly increase the number of women elected. This has been so in French Polynesia and New Caledonia since 2000, when such lists were made mandatory. Where politics is more fractionalised and often only the first candidate on a list, usually male, is elected, the impact is less. In the Solomon Islands members are elected by first-past-the-post from single-member constituencies. A new [law](#) passed this year provides that at least 10% of a party's candidates must be women, unless not enough women apply or agree to be candidates. Parties may claim a temporary special measures grant for each woman candidate elected.

Reserved seats

Three seats in Bougainville's House of Representatives are [reserved](#) for women. In the next Samoan Legislative Assembly, following an [amendment](#) to the Constitution in 2013, women will make up at least 10% of the membership. If fewer than five of the 49 members elected are women, additional seats will be added and allocated to the losing women candidates who gained the highest percentage of votes, to make up a total of five women members. Reserved seats are seen by some as an effective temporary measure to assist women to establish a presence in parliament. They can help to change attitudes, increase the acceptance of women in public roles, and ensure that women's voices are heard in parliament. Others raise concerns that women will find themselves restricted to reserved seats only, or that women elected to reserved seats may be regarded as second class MPs. Some Pacific women MPs support reserved seats, while others believe they are unnecessary and that women have shown they can compete with men.

Women in selected Pacific Island parliaments as at 25 August 2014

	No. of women members	Total no. of members	% of women members
French Polynesia	32	57	56
New Caledonia	24	54	44
Cook Islands	3 ¹	24	13
Niue	2	20	10
Kiribati	4	46	9
Bougainville	3	39	8
Tuvalu	1	15	7
Samoa	3	49	6
Nauru	1	19	5
Tonga	1 ²	28	4
Papua New Guinea	3	111	3
Solomon Islands	1	50	2
Vanuatu	0	52	0

¹ Election petitions are pending ² Ex officio, an appointed minister

Pleasance Purser, Research Services Analyst



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Superannuation: qualifying ages in OECD countries

Population changes and fiscal pressures over the last decade have seen a number of OECD countries increase the qualifying age for their state pensions.

This paper summarises recent changes in three countries and compares OECD countries that are implementing increases to the qualifying age for the state pension.

Australia

The age of eligibility for the Age Pension increased in 2009 following the Harmer [Pension Review Report](#) which calculated that the ratio of people of working age to those aged 65 years and over would drop from 5.0 to 2.4 by 2047. The review considered that a gradual increase of two to four years in the qualifying age for the pension would help reduce the increasing rate of dependency.

The Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009 implemented the [Secure and Sustainable Pension Reform](#) package announced in Budget 2009/10, including an increase in the pension age to 67 years by 2023.

Denmark

The cross-party Welfare Agreement of 2006 aligned the qualifying age for the national old-age pension with increases in life expectancy. The qualifying age was to rise from 65 to 67 years by 2027. In 2011 the Danish Government reached a further cross-party agreement on pension reform that included bringing this increase forward by five years so that the qualifying age would be 67 years by 2022. This reform, along with changes to voluntary early retirement, is expected to increase the numbers in the labour force and reduce public expenditure.

From 2015, Parliament will decide every five years whether retirement ages should be further increased in line with longer life expectancy projections.

United Kingdom

In 2005 the Pensions Commission recommended that the State Pension age should rise broadly in line with life expectancy. Accepted in a [2006 White Paper](#), this proposal was enacted through the Pensions Act 2007. The qualifying age for the State Pension for men and women was to rise from 65 to 66 years by 2026, to 67 years by 2036, and to 68 years by 2046.

Following a [2010 White Paper](#), and as a result of revised projections of life expectancy and the Global Financial Crisis, the Pensions Act 2011 brought the rise in the qualifying age to 66 years forward by six years to 2020.

Primarily aimed at bringing in a single-tier pension, a [2013 White Paper](#) and the Pensions Act 2014 accelerated by eight years the increase to 67 years—which is now due to be completely phased in by 2028.

Further changes are possible as the Pensions Act 2014 provides for a review of the State Pension age by the Secretary of State every Parliament based on the “principle of maintaining a given proportion of adult life in receipt of state pension”. The Government is currently suggesting that the State Pension qualifying age “is likely to increase further to 69 by the late 2040s”.

Planned changes to state pension qualifying ages in selected OECD countries

This table provides an indication of when OECD member countries will increase the qualifying ages for the state pension. Estonia, Italy, Turkey and the United Kingdom will first equalise the qualifying age for women with that of men. Spain increased the qualifying age from 65 to 67 years in 2013 and has linked further increases to life expectancy.

• = Current qualifying age M = men W = women

	Age									
	58	60	61	62	63	65	66	67	68	70
Australia						•	2020	2023		
Denmark						•	2020	2022	2030	2040
Estonia		• W			• M 2016W	2026				
France						•		2022		
Germany						•		2029		
Greece								•		
Hungary				•		2017				
Ireland							•	2021	2028	
Italy				• W			• M 2018W	2021		
Poland		• W				• M		2020M 2040W		
Slovenia	• W		2023W		• M					
Turkey	• W	• M				2048				
United Kingdom				• W		• M 2018W	2020	2028	2046	

Source: [Pensions at a glance 2013: Retirement-Income systems in OECD and G20 countries](#)

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Te Pātaka Rangahau a Te Whare Pāremata

Historical Treaty settlements

The Treaty settlement process

The Waitangi Tribunal was established in 1975 by the [Treaty of Waitangi Act 1975](#). In 1985 the tribunal was empowered to hear historical grievances dating back to 1840. In 1995 the Office of Treaty Settlements (OTS) was established to negotiate and implement the settlement of historical Treaty of Waitangi claims, under the guidance and direction of Cabinet.

The settlement of historical claims is funded by a multi-year appropriation in Vote Treaty Negotiations. This appropriation for the five-year period 2014 to 2018 is \$1,400 million. There is an additional annual appropriation of \$70.709 million for 2014/2015.

The first settlement under the Waitangi Tribunal process, made in 1989 in respect of Waitomo Caves, involved the transfer of land and a loan. Settlements now include a range of redress, which may include: a formal apology by the Crown; financial redress—comprised of a quantum amount and interest on the settlement redress; cultural redress; the transfer of—and/or the option to purchase—significant properties; and changes to geographical names.

Where possible, claims recognised by the tribunal are aggregated and dealt with as part of district claims. There are 37 districts.

The [Treaty of Waitangi Amendment Act 2006](#) set a deadline of 1 September 2008 to lodge historical claims with the tribunal, with the aim of resolving them by 2020. In 2008 the date was amended to 2014. An increase in resources, and changes to streamline the claims process—including changes to the legislative process—facilitated an accelerated rate of settlements. In July 2014 the Waitangi Tribunal reported that they plan to complete the six outstanding district inquiries, involving about 900 claims, and address historical claims not included in district inquiries by 2020.

The relativity mechanism

Two early large settlements—with Waikato-Tainui in 1995 and Ngāi Tahu in 1998—included relativity clauses. This means that the Crown is liable to make payments to maintain the proportion of the Waikato-Tainui and Ngāi Tahu settlements at, respectively, 17% and 16.1% of all treaty settlements.

In its annual [audit of central government](#), the Office of the Auditor-General reports on the relativity clauses. In October 2012 OTS advised that the total value of settlement redress had exceeded \$1 billion in 1994 present value dollars, triggering the clauses for the first time. In 2012 the Crown paid Waikato-Tainui \$70 million and Ngāi Tahu \$68.5 million, representing the undisputed relativity redress to date. The parties are in dispute about the calculation of the redress.

Settlement progress

The OTS website lists information on the progress of claims as at August 2014:

- Since 1989, 54 settlements have been completed, with financial redress (excluding interest and other arrangements) of approximately \$1,500 million.

- The 50th Parliament passed legislation enacting 28 settlements, involving financial redress of approximately \$680 million.
- Thirteen groups are awaiting legislation to enact their settlements, involving financial redress of approximately \$426 million.
- One settlement is awaiting ratification from members of the iwi.
- Thirteen groups have reached Agreements in Principle or the equivalent.
- Negotiations towards Agreements in Principle are proceeding with six groups.

Settlements have been reached in respect of seven of New Zealand's ten largest iwi groups. The Crown has recognised the Tūhoronuku deed of mandate for Ngāpuhi, the largest iwi group. This mandate has been challenged in the Waitangi Tribunal. The two other most numerous iwi groups yet to reach settlements are engaged in negotiations.

Financial redress, historical Treaty claims: ten largest settlements, August 2014

Amount \$million	Group	Year of Legislation
170	Ngāi Tahu	1998
170	Waikato/Tainui Raupatu	1995
170	Commercial Fisheries	1992
169	Ngāti Tūhoe	2014
161	Central North Island Forests Iwi Collective	2008
90	Ngāti Porou	2012
70	Ngāti Toa Rangitira	2014
50	Raukawa	2014
42.39	Ngāti Awa	2005
41	Ngāti Ruanui	2003

Selected sources

Office of Treaty Settlements [Claims Progress : Progress of Claims](#).

Office of Treaty Settlements [12 month progress report 1 July 2013-30 June 2014](#) (August 2014)

Waitangi Tribunal [Strategic Direction 2014-2025](#) (July 2014)

Further reading

Richard S Hill [“Ngā whakataunga tiriti – Treaty of Waitangi settlement process”](#) Te Ara: the Encyclopedia of New Zealand.

Lee Taylor, Research Services Senior Librarian



Income tax rates

Income tax revenue

A major source of revenue for the Crown comes from income taxes on individuals. In the year ended 30 June 2013, a total of \$26,376 million was received from individual income tax (including fringe benefit tax), contributing approximately 45 percent of total tax revenue for the year. According to Treasury's [Pre-Election Economic and Fiscal Update 2014](#), \$27,906 million in individual income tax revenue is forecast to have been received in the year ended 30 June 2014, rising to \$29,584 million in the year ended 30 June 2015.

Current income tax rates

The National Government announced a tax reform package in the [2010 Budget](#), which included income tax rate and threshold changes. These changes took effect from 1 October 2010. Other tax policy measures included in the package comprised an increase in the rate of GST from 12.5 percent to 15 percent and tax-base-broadening and integrity measures. From 1 October 2010, individual income tax rates have been as follows.

Income level	Income tax rate (%)
\$0–\$14,000	10.5%
\$14,001–\$48,000	17.5%
\$48,001–\$70,000	30.0%
\$70,001 and over	33.0%

Note: There is an independent earner tax credit of \$10 per week for those individuals earning between \$24,000 and \$44,000, who do not receive a benefit, Working for Families, or New Zealand superannuation. This tax credit abates at 13 cents for every dollar earned over \$44,000 (and is fully abated at \$48,000).

Previous changes in income tax rates and thresholds

Since 2008 there have been a number of reductions to income tax rates, along with changes made to threshold levels for the various income tax rate bands. These changes have been made under both Labour- and National-led Governments. The income tax rates and thresholds that existed from 1 April 2000 through to 30 September 2008 were as follows.

Income tax rates from 1 April 2000 to 30 September 2008

Income level	Income tax rate (%)
\$0–\$9,500	15.0%*
\$9,501–\$38,000	21.0%*
\$38,001–\$60,000	33.0%
\$60,001 and over	39.0%

Note: * Includes the low-income-earner-rebate. For income earners earning \$38,000 or more, the marginal tax rate on the first \$38,000 of income was 19.5 percent.

In [Budget 2008](#) Hon Dr Michael Cullen announced a series of income tax cuts which were to occur over three phases, with the first phase to commence from 1 October 2008. The second phase was to commence from 1 April 2010 and the third phase from 1 April 2011. The Finance Minister commented that, “These tax cuts will be a dividend for the workers who have driven New Zealand’s longest post-war economic expansion and will hopefully offer some relief to households as they cope with stretched budgets.” With the change of government only the first phase was implemented. The income tax rates and thresholds that existed from 1 October 2008 through to 31 March 2009 were as follows.

Income tax rates from 1 October 2008 to 31 March 2009

Income level	Income tax rate (%)
\$0–\$14,000	12.5%
\$14,001–\$40,000	21.0%
\$40,001–\$70,000	33.0%
\$70,001 and over	39.0%

In [December 2008](#) the newly-elected National Government announced that it was cancelling phases two and three of the tax changes legislated by the Labour Government and enacted their own tax rate and threshold changes. Changes to income thresholds were to occur from 1 April 2009 and 1 April 2010, with a reduction in the 21 percent marginal tax rate to 20 percent from 1 April 2011. An Independent Earner Tax Credit of \$10 per week was also introduced from 1 April 2009 for those individuals earning between \$24,000 and \$44,000 and who did not receive a benefit, Working for Families, or New Zealand superannuation (abating by 13 cents in the dollar for incomes over \$44,000). The income tax rates and thresholds that existed from 1 April 2009 through to 30 September 2010 are shown below.

Income tax rates from 1 April 2009 to 30 September 2010

Income level	Income tax rate (%)
\$0–\$14,000	12.5%
\$14,001–\$48,000	21.0%
\$48,001–\$70,000	33.0%
\$70,001 and over	38.0%

In [2009](#), in response to the effects of the Global Financial Crisis, the National Government announced that it was deferring the scheduled income tax threshold and rate changes planned from 1 April 2010 and 2011, “to avoid further increasing debt”. It was estimated that the Government saved around \$900 million a year from 2011/12 by deferring the second and third phases of the tax cuts. In a May 2009 media release, Hon Bill English commented that, “Tax cuts will be assessed to consider whether they are affordable, as part of future budget processes.”

Grant Cleland, Research Services Analyst



Core Crown debt

Core Crown debt

Since the Global Financial Crisis and the recession in New Zealand, core Crown debt has been rising in both nominal terms and as a percentage of gross domestic product (GDP). According to forecasts in the [Pre-election Economic and Fiscal Update 2014](#) (PreEFU), debt figures have either peaked or are close to peaking as a percentage of GDP (government debt was higher as a percentage of GDP over the 1980s through to the mid-1990s).

Core Crown includes the departments and ministries of the Crown, along with Offices of Parliament, the Reserve Bank, and the New Zealand Superannuation Fund (NZS Fund). Core Crown excludes Crown entities and state owned enterprises (including the mixed ownership model companies). Core Crown debt measures are published by the Treasury in their *Financial Statements of the Government of New Zealand*, the *Budget Economic and Fiscal Update*, the *Half Year Economic and Fiscal Update* (and, in election years, the *PreEFU*).

Debt figures can be published on a gross or a net basis. The gross debt figure shows the total amount the Crown has borrowed at a point in time (and the amount which will need to be refinanced or repaid at some stage in the future). The net debt figure includes the value of financial assets held by the Crown. It is calculated by subtracting the value of these financial assets from the gross debt figure. As a result, net debt figures are lower than gross debt figures. The net debt figure provides an indication of the sustainability of the Crown's accounts, and is watched by credit rating agencies.

There are a variety of ways to measure core Crown debt. The Treasury publishes various gross and net debt measures with each measure including or excluding certain asset and/or liability items. In the *Financial Statements of the Government of New Zealand*, the Treasury focuses on two debt measures:

- gross sovereign-issued debt excluding Reserve Bank settlement cash and bank bills,
- net core Crown debt (excluding the financial assets of the NZS Fund and advances).

The Treasury also publishes a net core Crown debt figure which includes the financial assets of the NZS Fund.

The following table shows core Crown debt level forecasts for the above three measures at 30 June 2014 and 30 June 2018 as forecast in the 2014 PreEFU.

Core Crown debt	30 June 2014 (\$m)	30 June 2018 (\$m)
Gross debt	82,820	88,251
Net core Crown debt (excluding NZS Fund)	59,941	67,865
Net core Crown debt (including NZS Fund)	33,954	34,071

The Treasury's current gross debt measure excludes the Crown's liability of settlement cash placed with the Reserve Bank by banks operating in New Zealand. These funds are used by banks to settle their wholesale obligations between each other as a result of the transactions made by their

customers. These funds are not used for Crown financing purposes. Gross debt includes debt held by the wider Crown (that is, the NZS Fund, ACC, and the Earthquake Commission).

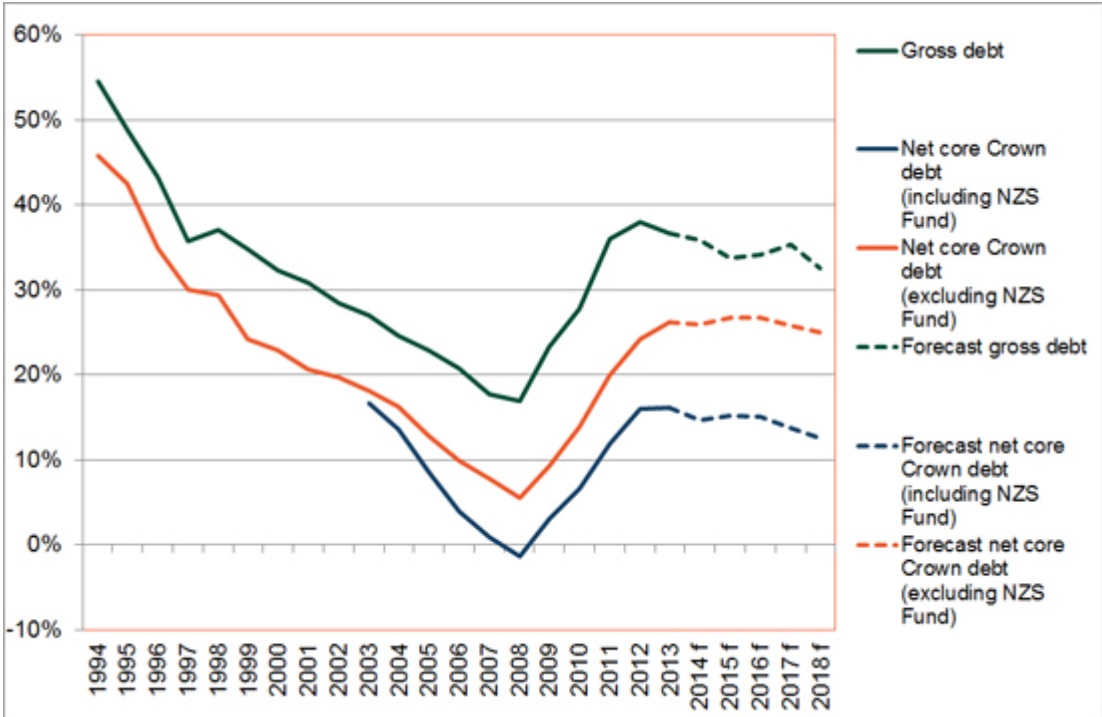
The Treasury's current net debt measure excludes the financial assets of the New Zealand Superannuation Fund along with financial advances (such as student loans or advances to district health boards). These financial assets are excluded as they are considered to be less liquid (that is, the funds cannot be obtained quickly) and were made for public policy purposes rather than for Crown financing purposes. Excluding these financial assets, the net debt figure is higher than would otherwise be the case.

Following the Global Financial Crisis and the recession in New Zealand, gross debt peaked at a level equivalent to 38 percent of GDP at 30 June 2012. It is forecast to ease to around 32.5 percent of GDP at 30 June 2018. In dollar terms, according to forecasts, it peaks at \$92.6 billion at 30 June 2017.

Net core Crown debt (excluding NZS Fund and advances) is forecast to peak at 26.8 percent of GDP at 30 June 2015 before easing to 25 percent of GDP at 30 June 2018. In dollar terms net core Crown debt peaks at \$67.9 billion at 30 June 2018. Core Crown net debt is projected to fall below 20 percent of GDP in 2021. If the financial assets of the NZS Fund are included in the calculation of net core Crown debt then net debt peaked at 16.2 percent of GDP at 30 June 2013 and is forecast to fall to 12.6 percent of GDP at 30 June 2018. Using this measure, the Crown recorded a negative debt figure at 30 June 2008 of \$2,676 million (that is, the Crown held more financial assets than financial liabilities at this point in time), equivalent to 1.4 percent of GDP.

The following chart shows gross and net core Crown debt measures as a percentage of GDP as at 30 June 1994 to 2018.

Gross and net core Crown debt as a percentage of GDP



Grant Cleland, Research Services Analyst



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Te Pātaka Rangahau a Te Whare Pāremata

Law Commission: role and recent projects

The Law Commission is an independent Crown entity which is governed by the [Law Commission Act 1985](#) and the [Crown Entities Act 2004](#). The Minister Responsible for the Law Commission is the Minister of Justice.

Under section 3 of the *Law Commission Act 1985*, the Commission's role is "to promote the systematic review, reform, and development of the law of New Zealand". By July of each year the Minister and the commissioners agree on the programme of possible law reform. Each project is a discrete area of law or subject matter that the Law Commission has agreed to review, and are usually long term and substantial law reform projects.

As an independent agency the commission advises on the review of any aspect New Zealand law conducted by a government department or organisation and on proposals made as a result of the review. It advises the responsible Minister on ways in which the law of New Zealand can be made as understandable and accessible as is practicable. The commission must take into account the Māori dimension and should give consideration to the multicultural character of New Zealand society.

Law Commission issues papers

At the start of each project, issues papers are produced and public submissions are sought. The commission has an obligation to consult the public before making its recommendations to the Minister. Upon completing this process the Law Commission publishes a report which makes recommendations to the Government for law reform in a particular area. Once the report is tabled in the House, the Government will then decide on its response and what future amendments may be made to the law.

An examination of some of the recent issues papers released by the commission gives an indication of future legislation that the Government may consider once the reports are published and tabled in the House.

Contempt in Modern New Zealand

Released in May 2014, this [issues paper](#) is a review of the common law of contempt of court which predates the New Zealand Bill of Rights Act 1990 and the development of the internet and new social media.

One of the questions explored in the review is whether a juror should be charged with contempt of court if they search the internet during a trial or use social media to disseminate jury room deliberations. Judge Boshier, lead Law Commissioner for the review, said in a recent media release that there is a fairly stark choice when it comes to punishment of this kind of activity:

We can either come down hard in the way the English courts have on those jurors who break the rules and look for information relating to their cases on the Internet, or we can take a more proactive approach and try to steer jurors away from such conduct in a more conciliatory way.

Submissions closed on 22 August 2014; a report is due in 2015.

New Crown Civil Proceedings Act for New Zealand

The [paper](#) proposes a new Crown Civil Procedure Act to replace the Crown Proceedings Act 1950. The Crown Proceedings Act is a statute through which New Zealanders can sue the Crown.

As part of this review, the commission sought views on how best to balance the Crown's ability to refuse to disclose certain information during litigation because of reasons of national security, and the need to require all relevant material to be revealed to the other party. The President of the Law Commission Justice Hammond said:

The Commission seeks views as to the appropriate way to balance the needs of justice that require all relevant material be revealed on the one hand, and on the other the legitimate national security concern that some things simply cannot be revealed.

Submissions closed on 14 September, 2014; a report is due in 2015.

Legal Framework for Burial and Cremation in New Zealand

In October 2013, the Law Commission published a second [issues paper](#) on burial and cremation which brought together over two years of research and preliminary consultation with the Ministry of Health (which administers the Burial and Cremation Act 1964), local authorities, the cemetery and funeral sector, experts in Māori customary law, and representatives of various ethnic communities. In the introduction to the paper it states:

An overarching question for this review is whether this patchwork of statutory and common law is the most effective way of addressing the wide spectrum of public and private interests identified in our terms of reference, or whether it may be preferable to draft a comprehensive statute encompassing all relevant law in an accessible and coherent form.

Submissions closed on 20 January 2014; a report is due by the end of 2014.

Overview of next steps

Once the Law Commission submits its report to the Minister and any other relevant portfolio Minister, a copy of the report must be tabled before the House as soon as practicable. A draft Cabinet paper will be prepared with the views of the Minister and all relevant agencies and submitted to a Cabinet committee. If the recommendations are accepted, no formal government response is required. If Cabinet does not agree with all recommendations, the government response must be presented to the House within 120 working days.

Sources

Mai Chen *Public Law Toolbox: Solving Problems with Government* (LexisNexis, Wellington, 2012).

[Guide to Cabinet and Cabinet Committee Processes](#)

[Law Commission](#)

Mary Tinsley, Research Services Senior Librarian



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Te Pātaka Rangahau a Te Whare Pāremata

New Zealand Bill of Rights Act 1990: options for reform

In December 2013, the final report of the Constitutional Advisory Panel—[New Zealand's Constitution: A Report on a Conversation](#)—was released. The panel recommended that the New Zealand Bill of Rights Act 1990 (NZBORA/the Act) be reviewed to explore ways of amending the Act to improve its effectiveness. More specifically, the panel suggested a review consider

- adding economic, social and cultural rights, property rights, and environmental rights
- improving compliance by the Executive and Parliament with the standards in the Act
- giving the judiciary powers to assess legislation for consistency with the Act
- entrenching all or part of the Act.

This paper discusses some of the options for reform—consistent with the first two considerations—that have been put forward by members of Parliament and select committees.

Additional rights

The New Zealand Bill of Rights Act 1990 aims to affirm, protect, and promote human rights and fundamental freedoms in New Zealand—and to affirm New Zealand's commitment to the International Covenant on Civil and Political Rights (ICCPR). The Act does not, however, contain all the rights set out in the ICCPR. (It does not secure a general right to privacy, for instance.)

New Zealand ratified the ICCPR on 28 December 1978, the same day it ratified the [International Covenant on Economic, Social and Cultural Rights](#). However, economic, social, and cultural rights are not generally recognised in NZBORA. In 1988 the Justice and Law Reform Committee released its final report on *A Bill of Rights for New Zealand: A White Paper*, a document which set out a draft New Zealand Bill of Rights and which had been tabled in Parliament three years earlier “to initiate public debate”. The Justice and Law Reform Committee suggested the following social and economic rights also be included in a bill of rights enacted as an ordinary statute: the right to an adequate standard of living; the right to work and to just and favourable conditions of work; the right to education; the right to own property and the right not to be deprived of private property for public use without just compensation; and the right to participate in the cultural life of the community. All but one of these rights—the right to property—are recognised by the International Covenant on Economic, Social and Cultural Rights.

The New Zealand Parliament has considered two members' bills proposing that NZBORA be amended to include property rights: the New Zealand Bill of Rights (Property Rights) Amendment Bill 1997 sponsored by Owen Jennings MP; and the [New Zealand Bill of Rights \(Private Property Rights\) Amendment Bill](#) 2005 sponsored by Gordon Copeland MP. Neither bill passed its second reading.

Improving compliance by Parliament

The New Zealand Bill of Rights Act applies to acts of the legislature, the Executive, and the judiciary and those performing a public function, power, or duty. To facilitate scrutiny by the legislature, [section 7](#) of NZBORA requires the Attorney-General to notify the House of Representatives of any provision in a bill that appears to be inconsistent with the rights and freedoms contained in the Bill of Rights. These rights and freedoms are not absolute but—as provided by [section 5](#) of the Act—are subject to “such

reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society". Generally, therefore, "section 7" reports are made when the Attorney-General considers that a bill infringes a right or freedom in a way that cannot be justified as a reasonable limit. In a [paper](#) presented to a seminar in March 2014, the Attorney-General the Hon Christopher Finlayson noted that 62 bills comprising 30 Government bills and 32 non-Government bills had been brought to the attention of the House under section 7 of the Act. Of these bills, 36 were enacted, 22 were not enacted (including one Government bill) and 4 bills were still before the House.

Parliament's Standing Orders Committee has considered ways of improving Parliament's cognisance of Bill of Rights matters during the legislative process. In 2014, following a review of standing orders, the committee [considered](#) that reports presented by the Attorney-General under section 7 of NZBORA should receive detailed consideration by being referred automatically to select committees. The House should provide mechanisms, it stated, "so that the decision as to whether a limitation of rights is demonstrably justified is taken as a conscious exercise of the collective political and moral judgment of members." On 30 July 2014, the House adopted the committee's proposed amendments to standing orders. Section 7 reports are now to be referred to the most appropriate select committee for consideration.

The Attorney-General's duty under NZBORA to alert Parliament arises only on the introduction of a Government bill, or as soon as practicable after the introduction of other types of bill. However, bills may be amended significantly as they progress through the House—following consideration by a select committee, for instance, or by means of a supplementary order paper (SOP) or other amendment moved in a committee of the whole House. In 2003, the Standing Orders Committee rejected suggestions that Bill of Rights reporting be extended to amendments to bills. In 2014, the Standing Orders Committee noted that the publication of disclosure statements on some substantive Government amendments—which indicate whether advice had been provided to the Attorney-General about possible NZBORA inconsistencies—"reflected" a previous committee's recommendation that Cabinet guidelines should require Bill of Rights reporting on substantive SOPs.

Selected sources

Andrew Butler and Petra Butler *The New Zealand Bill of Rights Act: A Commentary* (LexisNexis, Wellington, 2005).

Joss Opie "A Case for Including Economic, Social and Cultural Rights in the New Zealand Bill of Rights Act 1990" (2012) 43 VUWLR 471.

Alex MacBean, Research Services Analyst



Local government amalgamation

History of local government in New Zealand

The first local government body in New Zealand was established in 1842 in Wellington by the Municipal Corporations Ordinance, but was soon abolished. In 1852 the New Zealand Constitution Act established the six provinces, which were each responsible for setting up their own local government, with the result that “by 1867, 21 municipal local government units had been constituted under no fewer than 14 separate provincial ordinances”. When the provinces were abolished in 1876, central government assumed responsibility for local government and “established the system which was, broadly speaking, in place until the 1989 reorganisation”. Local government bodies continued to proliferate during this period, largely due to the many single-purpose bodies created, such as river boards, rabbit boards, and electric power boards.

Numbers of local bodies in New Zealand since 1900⁽¹⁾

1900	529
1910	580
1920	618
1930	696
1940	677
1950 ⁽²⁾⁽³⁾	727
1960 ⁽³⁾	757
1970	655
1980	454
1990 ⁽²⁾	86
2000	86
2010 ⁽⁴⁾	78

Notes:

(1) From 1990 excludes special authorities and District Health Boards.

(2) Exact calendar year statistics not available. Following year numbers used.

(3) Excludes boards where duties are performed by local borough or council.

(4) Post-Auckland restructure.

Several attempts were made by central government to curb this growth, including the setting up in 1946 of the Local Government Commission which “should have the responsibility ... of drawing up schemes for reorganization” and the passing of the Local Government Act 1974, which was “a systematic legislative attempt to rationalise the host of fiercely independent local government bodies”.

Modern reforms of local government in New Zealand

In 1989 the Government legislated a major overhaul of local bodies by the Local Government Commission, which did away with most single-purpose bodies, largely consolidating their powers into the 86 new multi-purpose authorities. Since then local body numbers have remained fairly static, with the notable exception of the impact of the 2010 Auckland councils merger. Like the 1989 reform, the amalgamation of Auckland's one regional council and seven territorial authorities into one "super city" council was achieved through the passage of special legislation which bypassed normal procedures.

Both the 1989 reform and the Auckland amalgamation were unusual because there was no provision for those affected to vote on whether or not they wished for amalgamation to occur. In 2012 a change to legislation removed this requirement, replacing it with an optional poll which will only occur if a petition signed by 10% of electors in any of the affected council districts requests it.

Current proposals for reorganisation

There are currently four proposals for reorganisation under the new legislation being considered by the Local Government Commission (LGC), all of which are now amalgamation proposals. None has yet reached the final stage of the proposal process, so it is not yet known how successful any petition attempts may be. The four proposals, and their current status, are as follows:

- Northland: application for the Far North District Council to become a unitary authority. Submitted by the Far North District Council. The Local Government Commission has since declared all local regions affected and their initial draft reorganisation proposal is now for the amalgamation of the Far North, Whangarei, Kaipara and Northland councils. A draft proposal has been proposed and feedback on it received. A decision will be made after the general election on how to proceed.
- Hawke's Bay: application for the amalgamation of the Central Hawke's Bay, Wairoa, Napier, and Hastings councils. Submitted by A Better Hawke's Bay. Discussions with stakeholders are continuing and a decision is expected after the general election.
- Wellington: application for the amalgamation of the Greater Wellington, Kapiti Coast, Porirua, Wellington, Hutt, Upper Hutt, South Wairarapa, Carterton and Masterton councils. Submitted by the Greater Wellington Regional Council. This proposal is being considered alongside the Wairarapa application due to the overlap. The LGC is close to a decision on its preferred option.
- Wairarapa: application for the amalgamation of the South Wairarapa, Carterton and Masterton councils. Submitted by all three councils, this proposal is being considered alongside the Wellington proposal due to the overlap. The LGC is close to a decision on its preferred option.

Sources

Mark Derby "[Local and regional government—Early forms of local government](#)" Te Ara: the Encyclopedia of New Zealand.

Local Government Commission

[New Zealand Official Yearbooks](#)

Jessica Ihimaera-Smiler, Research Services Senior Librarian



Research and development

[OECD research](#) into New Zealand's "productivity paradox" identifies weak international linkages to global value chains and persistent underinvestment in knowledge-based capital as key contributors to the country's 27% underperformance against average OECD gross domestic product (GDP) per capita, versus the 20% outperformance the country's relatively growth-friendly structural policy settings could deliver.

[Knowledge-based capital](#) encompasses a wide range of intangible assets including product design, inter-firm networks, research and development (R&D), and organisational and individual know-how. Its escalating importance as a driver of innovation and productivity creates new challenges for policy makers, business enterprise, and measures of economic activity.

New Zealand takes pride in its culture of innovation and pioneering ingenuity, yet while it performs reasonably on some measures (software investment, scientific publishing, trademarks) it ranks low on overall R&D intensity, particularly from the private sector, against comparable OECD countries.

Statistics New Zealand (SNZ) defines [innovation](#) as "the introduction or development of any new or significantly improved goods, services (products), processes, or methods" encompassing a complex range of activities. As one component of innovation, [R&D](#) comprises original, creative, investigative work systematically conducted to increase knowledge.

Funding

The most recent [SNZ R&D Survey \(2012\)](#) saw total R&D expenditure up 10% on 2010 to \$2.6 billion, of which business R&D had risen 23% to \$1.2 billion. While overall government R&D funding slipped 3%, its contribution to business sector R&D increased by over 70%.

Top [recipients of total R&D expenditure](#) were manufacturing (20%), primary industries (17%), health (12%) and environment (10%).

Top recipients by source sector were: government: primary industries (36%) and environment (33%); business: manufacturing (32%) and ICT services (17%); tertiary: health (24%) and education (13%).

Public contribution to primary sector R&D, through the Crown research institutes (CRIs) and co-funding such as the [Primary Growth Partnership](#), reflects the ongoing importance of the nation's commodity base. However there is widespread consensus on the need for economic diversification beyond primary produce and tourism toward innovative, high-value, technology-intensive industries.

Callaghan Innovation

An independent high-value manufacturing and services sector (HVMSS) review ([Powering Innovation](#)) spurred the February 2013 creation of [Callaghan Innovation](#), a Crown entity coalescence of existing R&D programmes with former CRI [Industrial Research Ltd.](#)

Callaghan Innovation has the legislated objective of supporting "science and technology-based innovation and its commercialisation by businesses, primarily in the manufacturing and service sectors, in order to improve their growth and competitiveness". Envisioned as an [advanced technology](#)

[institute](#), the agency works closely with various partners ([NZTE](#), [MBIE](#), [MFAT](#), [universities](#), [ITPs](#), [CRIs](#), [NZVIF](#), the [venture capital community](#), [Chief Science Advisor](#) and [Regional Business Partners](#)) to accelerate commercialisation of ideas by [advising](#) businesses on innovation, providing [research and technical](#) services and [funding](#) business R&D.

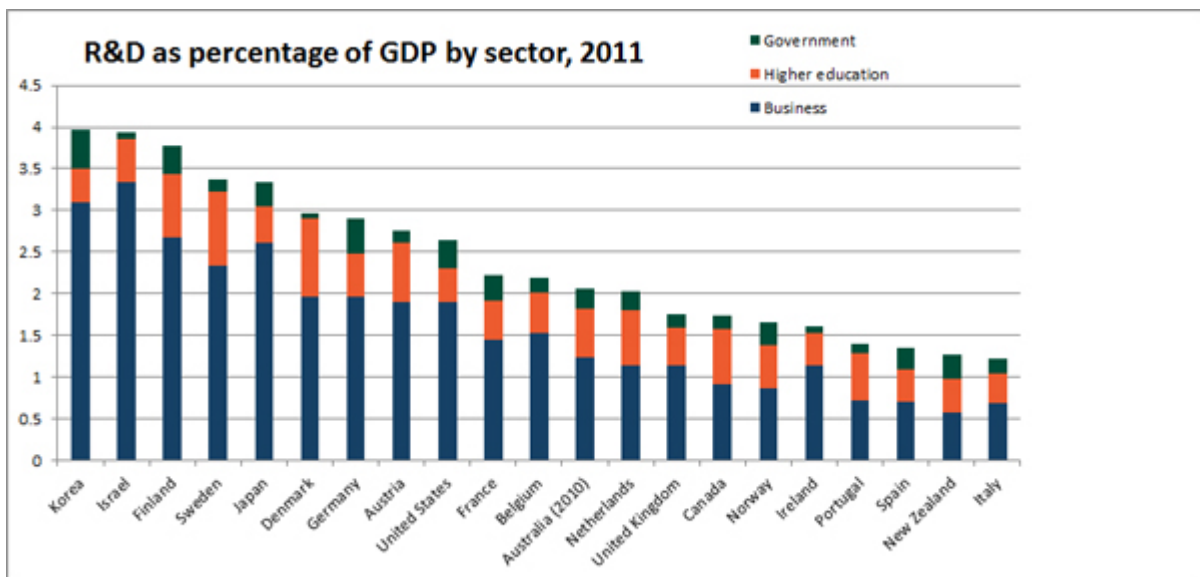
Business R&D funding of over \$140m a year is channelled through three programmes—[Growth Grants](#): co-funding for qualifying firms with existing R&D expenditure; [Project Grants](#): for smaller companies and those new to R&D; and [Student Grants](#): for graduate skills development within innovative commercial research environments.

[Incubator Support](#) provides a range of services and funding for start-ups including [technology-focused and founder-focused programmes](#) while the [research and technical services](#) group is organised around [three clusters](#): advanced manufacturing technologies, industrial biotechnologies and measurement standards, to align research capability and depth with New Zealand industry requirements.

Callaghan Innovation’s first year of operation has seen delivery of over 800 research and technical projects to more than 230 businesses and over \$200 million in grants to more than 500 businesses.

Longer-term goals include: business expenditure on R&D to rise from 0.58% to 1% of GDP; firms launching new products and services in the previous two years to rise from 1,000 to 5,000; [TIN200](#) companies with \$20 million turnover to rise from 75 to 150; HVMSS exports to rise from \$6.72 billion to \$10 billion, and New Zealand’s [global innovation ranking](#) to improve from 18th to tenth.

The strategy is complex, as are the challenges of building an innovation ecosystem. In the entrepreneurial vision of [Sir Paul Callaghan](#), prosperity depends on our investing in science and technology, opening and diversifying the innovation landscape, and closing the knowledge gap.



Mike Keane, Research Client Services Senior Librarian



Health indicators of child poverty in New Zealand

Health indicators of child poverty

This paper examines selected risk factors and health status indicators that show a statistically significant difference between children living in the most and least deprived socioeconomic areas.

Child poverty in New Zealand

There is no Government-endorsed measure of poverty in New Zealand so estimates vary depending upon methodologies used. [Analysis by the Ministry of Social Development](#) based on data from Statistics New Zealand's Household Economic Survey, estimated that in 2013 there were 230,000 children aged 0–17 years (22% of children in New Zealand) living in households with incomes below low-income thresholds (60% of the median fixed line); after subtracting for housing costs. This income measure was selected because it is used (not endorsed) by the Ministry of Social Development for reporting income poverty trends.

[The Children's Commissioner's Expert Advisory Group](#) cited evidence that New Zealand children living in poverty had poorer health outcomes compared to those living in households with average and higher incomes. The group refers to the Dunedin longitudinal study which found that children who grew up in socioeconomically deprived areas had poorer cardiovascular health, dental health, and were at a higher risk of alcohol and drug addiction in later life compared to those from least deprived socioeconomic areas.

Nutrition

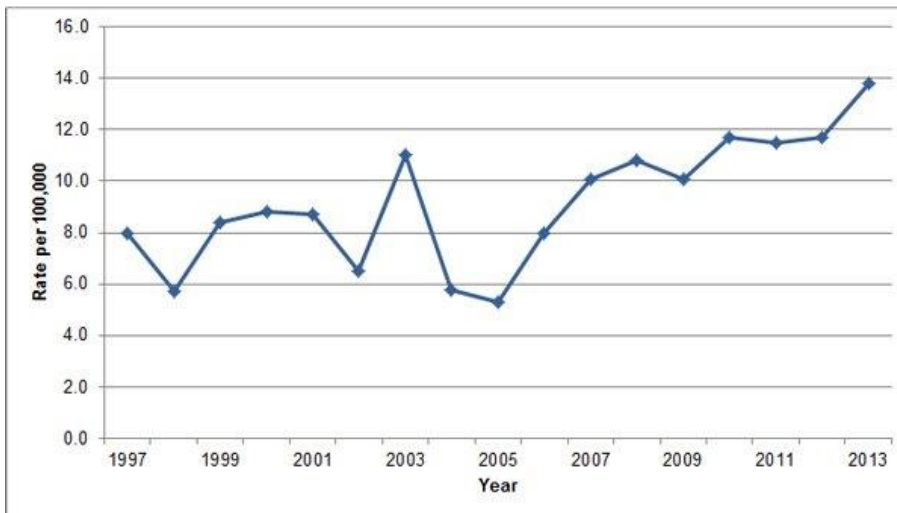
According to the [Ministry of Health's New Zealand Health Survey](#) in 2012/13, children (aged 2–14 years) living in the most deprived areas were less likely to have breakfast at home every day than children in the least deprived areas (79.3% compared to 92.5%). They were nearly three times more likely to have had fast food more than three times in the past week, and were more likely to be obese (20.2% compared to 4.8%). The survey also noted that these higher rates among the most deprived socioeconomic areas are not explained by differences in ethnicity, age, or sex.

Rheumatic fever

Socioeconomic and environmental factors have an indirect effect on the occurrence of rheumatic fever in the population. Factors include poverty, poor nutrition, overcrowding, inadequate housing, and insufficient access to health services. Children and young people aged 0–24 years living in the most deprived areas were 25 times more likely to be admitted to hospital due to acute rheumatic fever compared to those living in least deprived areas in 2006-2010.

In 2013, the rate of notifiable rheumatic fever among children aged 0–19 years was 13.8 per 100,000 population (168 notifications) compared to 8.0 (91 notifications) in 1997.

Rheumatic fever rate per 100,000 population for 0–19 years 1997–2013



Source: The Institute of Environmental Science and Research Ltd, [Notifiable disease \(Rheumatic Fever\) counts and rates by age group](#), New Zealand Public Health Observatory, August 2014.

Note: Rate per population was calculated using estimated residential population data as at 31 December from Statistics New Zealand.

Sudden Unexpected Death in Infancy (SUDI)

Causes of SUDI include: accidental suffocation or strangulation in bed, inhalation of food or gastric contents, or unspecified causes. Between 2008 and 2012, SUDI was the leading cause of death in post-neonatal infants (infants aged 28 days to less than one year). [National Mortality Collection data](#) showed that SUDI accounted for 39.8% of post-neonatal deaths (246 of 618 total deaths) down from 41% (279 of 680 total deaths) between 2006 and 2010. SUDI in children was five times more likely in the most deprived areas compared to the least deprived between 2006 and 2010.

Recent government initiatives

The following are examples of recent government initiatives that address health issues in children aggravated by poverty:

- In October 2011, the Government announced an extension of free doctors visits and prescriptions for children under six years of age (Zero Fees for Under Sixes scheme) to include after-hours visits for children.
- As part of Budget 2014, it was announced that the Zero Fees for Under Sixes scheme would be extended to include children under 13 years of age from July 2015.
- In June 2012, a target was set to reduce the hospitalisation rate of rheumatic fever by two-thirds to 1.4 cases per 100,000 (children and adults) by 2017 as part of the Better Public Services programme. It was announced in Budget 2014 that total investment in the Rheumatic Fever programme would be \$65.3 million over six years, focussing on free drop-in sore throat clinics in at-risk communities for early diagnosis and treatment of group A streptococcus throat infections, a precursor of rheumatic fever.

Alexandra Marett, Research Services Analyst



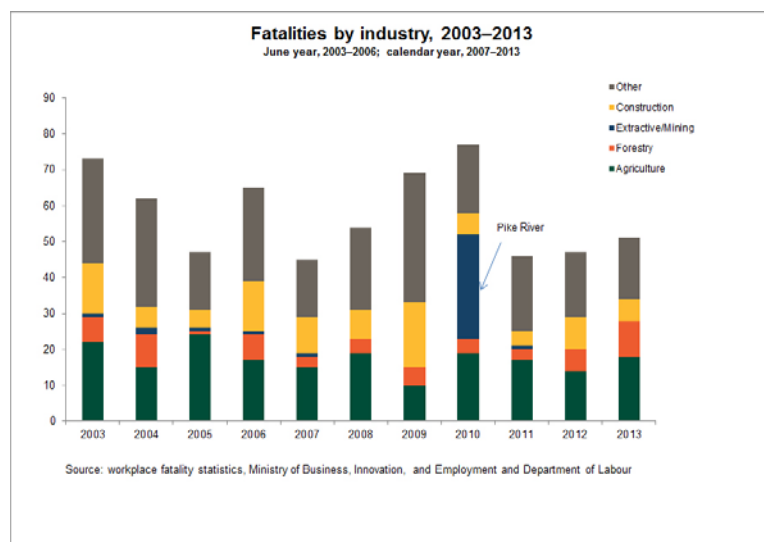
Health and safety in the workplace

Health and safety in the workplace has attracted public attention to an extent never before seen in New Zealand. In the wake of the Pike River disaster of 2010 a new agency to deal with occupational health and safety has been introduced. New legislation has also been drafted to replace the Health and Safety in Employment (HSE) Act 1992. These changes will alter the environment considerably.

Chronology

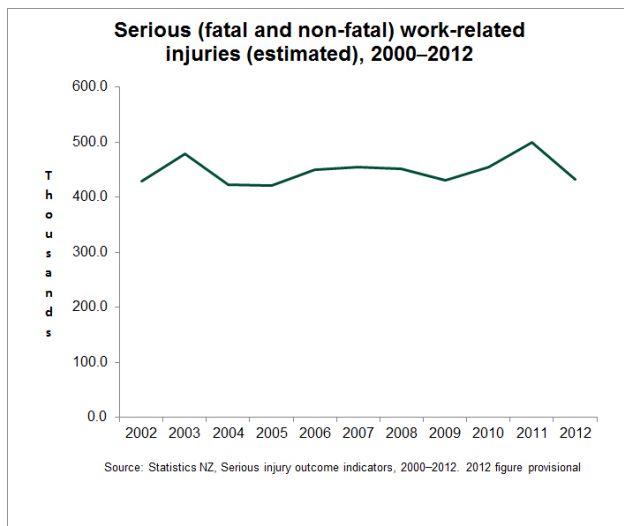
19-Nov-10	Pike River coal mine disaster; 29 fatalities
Dec-10	Royal Commission on the Pike River Coal Mine Tragedy appointed
Aug-11	High Hazards Unit formed in Department of Labour
Jun-12	Independent Taskforce on Workplace Health and Safety appointed
Oct-12	Royal Commission reported
Nov-12	Minister of Labour resigned
Feb-13	Government announced new occupational health and safety agency would be created
Apr-13	Taskforce reported
Jun-13	Health and Safety (Pike River Implementation) Bill introduced to implement Royal Commission's recommendations and create a new Crown entity
Nov-13	WorkSafe New Zealand Act passed
Dec-13	WorkSafe New Zealand established
Mar-14	Health and Safety Reform Bill based on Australia's Model Act introduced into Parliament

Trends in fatalities and injuries



The overall trend in workplace fatalities in the last decade has been static at between 45 and 65 in number. Major contributors have been agriculture, forestry, and construction. Since the mid-1990s governments have consistently identified these industries as priority areas and in recent years action plans have been released for these three industries together with manufacturing and fishing.

In 2010 the Pike River mining disaster had a very substantial impact on the fatalities that year.



New Zealand's work-related injury and fatality rate has remained persistently high, and is higher than comparable countries. Various reasons have been given for this: the emphasis on self-regulation by employers under the existing legislation and the lack of resources for the enforcement agency—the Occupational Safety and Health Service (OSH). OSH had directed its resources towards high-risk industries in terms of the year-to-year injury and fatality statistics. Mining did not register on this basis, even if the industry did experience (infrequent) calamitous disasters.

Current reforms

Pike River precipitated a range of reforms. The government accepted the basic thrust of the [royal commission](#) and the [taskforce](#) and has introduced new legislation. A high hazards unit, covering the mining (and extractives) and the petroleum industries, was established in 2011. The Government announced increased funding of \$37 million over four years in the 2012 Budget. In response to the taskforce, in 2013 the Government announced a 'Working Safer' package with the goal to reduce fatalities and serious injuries by 25% by 2020 and with a focus on high-risk areas. Meanwhile, public attention has focused on forestry, with a spate of fatalities in the last year or so. An Independent Forestry Safety Review Panel is to recommend ways of improving safety in the industry.

[The Health and Safety Reform Bill](#) is currently before a select committee, due to report back in September 2014. The legislation will replace the HSE Act, in response to the recommendations of the royal commission and taskforce. It is intended –to be divided, with parts one to five becoming the Health and Safety at Work Bill. The purpose of the legislation is to reduce the fatality and serious injury rates in line with the target of 25% through a strengthened regulatory environment with regulations, codes of practice, enforcement, and worker participation.

The bill is based on the Australian Model Work Health and Safety Act. It shifts the emphasis from the management of hazards through taking “all practicable steps” towards eliminating and managing risk. Under a broadened definition of responsibility, “persons conducting a business or undertaking” (PCBUs) must ensure the health and safety of workers employed, together with others in related activities. PCBUs will have a “performance-based” duty to eliminate risk “so far as is reasonably practicable” or—if this is not possible—to minimise risk “so far as is reasonably practicable”. The bill also strengthens enforcement provisions and provides for enhanced worker participation in health and safety. Although some people sought the inclusion of an offence of “corporate manslaughter”, this is not currently included in the bill.

Strengthened legislation, increased funding, more inspectors and greater worker participation will certainly mean that there will be increased vigilance over workplace safety.

Dr John E Martin, Research Services Analyst



Canterbury in numbers: the economic effects of the earthquakes

Over the past four years the Canterbury region, including the city of Christchurch, has faced the challenge of a series of devastating earthquakes in 2010 and 2011 and the recovery and rebuild which are required. Relative to the size of the economy, the earthquakes are the most severe natural disaster faced by an advanced economy in recent times and the scale of the rebuild is unprecedented in New Zealand.

Effects on the New Zealand economy

The immediate macroeconomics effects of the earthquakes on New Zealand as a whole have been found to be [minimal](#). Inflation reduced moderately, with the first earthquake having a small, short-lived, adverse effect on real gross domestic product (GDP) growth. No significant changes in net migration, private or government consumption, investment, or trade were found.

In the longer run, it is clear that the Canterbury rebuild has had a substantial effect on the New Zealand economy, driving growth and employment, particularly in the construction industry, while adding inflationary pressures and increasing import demand. The rebuild is currently adding nearly one percent to annual economic growth according to [NZIER](#). This may slow as it is progressively completed. The latest [Treasury](#) forecasts expect the rebuild, “to provide significant impetus to demand over the forecast horizon and beyond, chiefly through additional residential and business investment, but also through related consumption spending on consumer durables.”

The most recent estimate of the total cost to the Crown of the rebuild is \$15.8 billion with a total reconstruction investment of around \$40 billion in 2011 prices (rounded to the nearest \$5 billion). Approximately half of this expenditure is expected to have taken place by the end of the forecast period in mid-2018.

Effects on Canterbury

At a regional level the effects have been extensive. Deloitte commented in May 2014 that the challenges which face the region include housing shortages, insurance company disputes, Christchurch City Council finances, development contribution disincentives, transportation blockages, revisions to the Christchurch District Plan, failures of construction firms, future land use, and drainage and flooding problems. It does note, however, that issues such as these are to be expected so soon after such a large natural disaster.

Despite these challenges, Canterbury's gross domestic product (GDP) as a percentage of New Zealand's GDP increased from 12.4 percent in the year ended March 2010 to 13.2 percent in the year ended March 2013. In 2013 the strength of the Canterbury economy, in particular the construction sector, saw its GDP per capita (\$49,447) surpass Auckland's (\$49,217). The August 2014 [ANZ Regional Trends](#) indicates continued economic growth, up 0.9 percent in the June 2014 quarter, with Auckland the only other centre to see similar growth (+1.0 percent).

Christchurch City Council

Christchurch City Council faces considerable earthquake related costs with an estimated shortfall of up to [\\$883 million](#) by 2019 in the amount of money required. In June 2013 the Crown and the council

reached agreement on cost sharing arrangements for the anchor projects in the Christchurch Central Recovery Plan and the repair and replacement of the essential horizontal infrastructure. The council faces decisions over how to fund its contribution, and other earthquake related expenditure.

Infrastructure

Repair and replacement of the horizontal infrastructure (roads, bridges and underground services) has reached the half-way mark and is on target for completion by the end of 2016.

Residential and commercial property

The earthquakes resulted in around 16,000 properties being severely damaged and over 9,000 becoming uninhabitable with over 90 percent of dwellings receiving some damage. Some residential areas have been red-zoned and are unable to be built on in the future. The Crown has purchased the majority of affected properties. To date, 5,133 of over 7,000 properties in the flat land residential red zone have been cleared.

Eighty percent of commercial insurance claims and 66 percent of all residential claims have been fully settled to date, at a total cost of over [\\$12 billion](#).

Total dwelling consents, including earthquake consents, were 44 percent higher in the year to June 2014 than in the previous year. The number of earthquake related building consents (residential and non-residential) has continued to increase in 2014 with over \$500 million worth of consents issued so far this year. Since the first earthquake in September 2010, \$1.95 billion worth of consents have been issued of which over \$1 billion (6,105 consents) have been residential.

Housing

House prices and rents have risen strongly since the earthquakes with the median house price increasing 25 percent since June 2010. Rents have increased by 48 percent in Christchurch City over the same period and over 30 percent in the Selwyn and Waimakariri Districts. House prices are continuing to show an upward trend although this may slow as newly built houses become available and the upward pressure on prices reduces.

Employment

Demand for labour has been high and should remain strong as the rebuild continues, particularly in the construction industry. Employment growth in Canterbury accounted for 45 percent of total national employment growth in the year to June 2014. The actual unemployment rate, at 2.8 percent in June 2014, was substantially lower than for all of New Zealand (5.4 percent).

Conclusion

The economic impact of the Canterbury earthquakes has been considerable. There is still uncertainty about all the precise timings but it is evident that, while progress is being made, there is still a long way to go to rebuild the city and surrounding areas. The effects of the earthquakes will be felt until the end of the decade and beyond.

Selected sources

[Statistics New Zealand](#)
[Canterbury Earthquake Recovery Authority \(CERA\)](#)
[Treasury](#)

Emma Doherty, Research Services Analyst



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Te Pātaka Rangahau a Te Whare Pāremata

Social effects of Canterbury earthquakes

Health

During the 4 September 2010 earthquake 377 people suffered injuries, while over 1,000 were injured in its aftermath. The 22 February 2011 earthquake caused 185 fatalities, injured 3,129 people, and 1,293 were injured in the aftermath. Apart from physical injuries, international literature suggests that psychosocial recovery after a disaster can take five to ten years. A key reason for this is that a double blow often occurs. The shock and effects of the disaster itself are followed by secondary, recovery-related issues. These include dealing with damaged homes, insurance claims, poor roading and lost community facilities.

The earthquakes have impacted upon the mental health of many people. All Right? (a Canterbury District Health Board and Mental Health Foundation-led initiative) has [undertaken research](#) among Cantabrians on their mental health and wellbeing. Initial research released in 2013 found that over 80% of respondents stated their lives had changed significantly since the earthquakes. Almost a third said the earthquakes had caused them financial problems, while 64% said they felt guilty that other Cantabrians were more affected by the earthquakes. Eighty-four percent gave their time to support others, nearly a third felt connected to their neighbours, and 42% 'a little' connected. In 2014, 65% of city residents felt tired (a 10% increase on 2012); and 66% agreed that it felt like their life had been normal over the last 12 months, compared to 60% in 2012.

Other evidence further illustrates this impact. According to [Otago University research](#), "Cantabrians who experienced serious adversity, both through earthquake events and following consequences, were 40% more likely than those living outside the region to have at least one of several kinds of disorder including: major depression, post-traumatic stress disorder, or anxiety disorder. Rates of clinically significant nicotine dependence were 1.9 times higher in the group of people most affected by earthquakes compared to those not affected by quakes". Within this context, the divorce rate per 100,000 in Christchurch increased from 211 during 2010 to 249 in 2011, and 261 the following year. Also, "extreme concern" has been expressed among health professionals regarding increased homelessness among people with mental health issues.

However, the Otago University research found that it appeared "the psychological impact of the quakes could have been worse if community spirit were not so strong". Drinking and illicit drug taking rates did not increase significantly among those adversely affected. Provisional annual data also indicated that suicides in Christchurch City declined in 2012/13. According to this data, 68 suicides occurred during 2012/13 compared with 81 the previous year. Prior to the February earthquake, the suicide rate had oscillated between 69 and 90 a year since 2007.

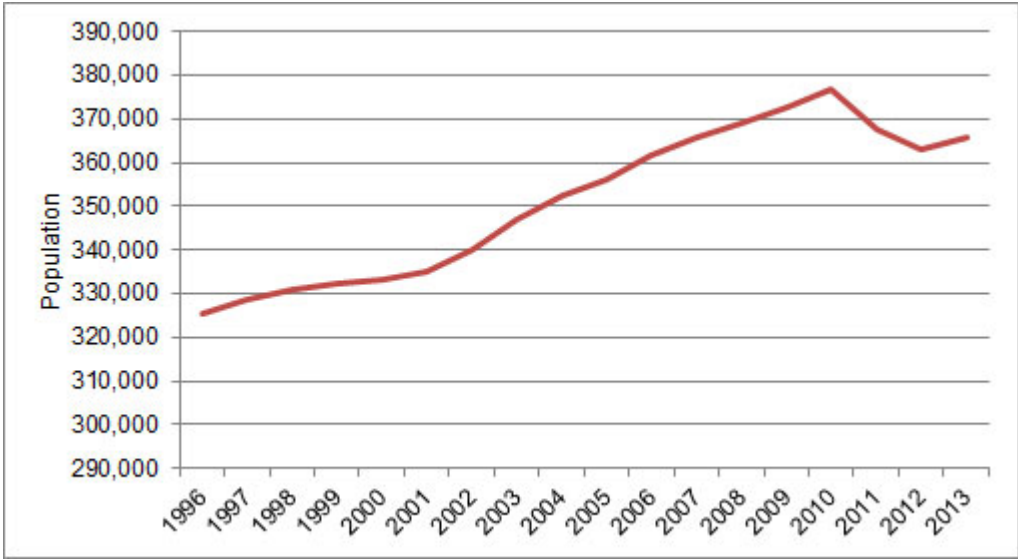
Population

Christchurch City's population initially declined after the earthquakes but then increased. Based on [provisional subnational population estimates](#), during the four-year period ending 30 June 2010 Christchurch City's population grew at an average annual rate of 1.0%, but declined by a total of 13,500 from June 2010 to June 2012. The city's population then grew by 2,900 (0.8%), to

366,000 in the June 2013 year (see graph). This was around 10,000 fewer than the 2010 population (376,700). The surrounding territorial authority areas experienced population growth in the June 2013 year.

More specifically, changes in the population’s composition occurred. In the two years ending June 2012, population change by age indicated a net outflow of children and their parents, while fewer young adults moved to Christchurch to study. The male population aged 20 to 34 years increased by 500 over the two-year period, whereas the corresponding female population decreased by 1,700. However, in the year ending June 2013, the male population aged 25 to 34 continued growing, while the number of females of the same age also began to grow. This continued growth for males was partly due to increased international arrivals, specifically for construction and engineering occupations. At the 2013 Census, 21.1% of people in greater Christchurch were born overseas, compared with 19.6% in 2006.

Christchurch City resident population (estimate including undercount, June year) 1996 – 2013



Source: [Christchurch City Council](#).

Crime

Total recorded crime in the Canterbury District fell from 52,981 in 2009 to 40,393 in 2013. Offences recorded per 10,000 population fell from 956.7 offences in 2009 to 720.5 in 2013. However, total reported family violence offences in the Canterbury District increased from 262 during February 2011 to 291 the following month before falling to 253 in May. Figures reported in 2013 indicated such violence had continued to increase. There were changes in reported crime patterns with more reported around shopping malls and suburbs such as Riccarton, Merivale, and Addington.

Paul Bellamy, Research Services Analyst



Housing issues

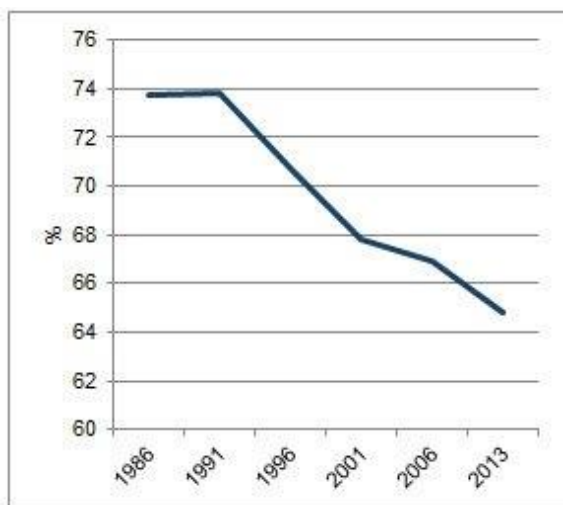
Housing ownership and affordability

Home ownership has declined in recent years. In 2013, 64.8% of households owned their home, the lowest level of ownership since 1951 (61.4%) and a decline from its peak (73.8%) in 1991 (see graph 1). On a regional basis, Tasman had the highest level of home ownership (75.0% of households owned their home or held it in a family trust), while Gisborne had the lowest (59.2%).

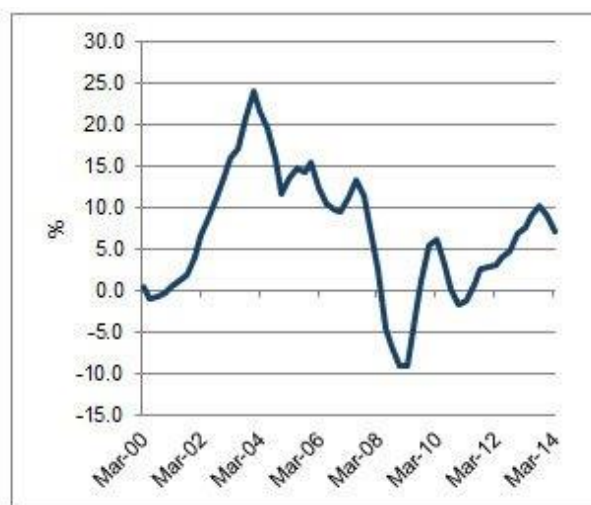
In August 2014, the national median house price was \$420,000. This was an increase of \$4,000 (1.0%) on July and up \$30,000 (7.7%) on August 2013. Seven regions recorded an increase in the median price. Central Otago Lakes recorded the highest increase in median price compared to August 2013, with a 10.5% increase, followed by Southland (9.8%) and Canterbury/Westland (9.6%). The highest annual increase in house prices from 2000 to 2014 occurred in late 2003 (24%), whereas the worst decline (-9.1%) occurred in early 2009 (see graph 2).

Over the last 20 years, the residential construction rate has fallen from six builds per 1,000 population to around four per 1,000, resulting in reduced supply while population has continued to grow.

1. Home ownership rate, 1986–2013



2. House prices, annual % change 2000–2014



Sources: [Statistics New Zealand](#) and [Reserve Bank](#)

With falling ownership, the affordability of housing has become a major issue. High housing costs relative to income are frequently associated with financial stress for low- to middle-income households. Low-income households especially can be left with insufficient income to meet other basic needs such as food. The total proportion of households spending over 30% of disposable income on housing increased from 11% in 1988 to 27% in 2013. High and rising rents, the poor and deteriorating quality of rentals, along with limited tenant rights, are key issues facing low-income families. Unaffordable accommodation is particularly an issue in Christchurch, where earthquakes have reduced the supply of housing, rental accommodation, and social housing. In contrast, demand for low cost, emergency, and temporary housing has increased.

Various measures have been introduced to increase affordability. For instance, the purpose of the [Housing Accords and Special Housing Areas Act 2013](#) is to “enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts” identified as having “housing supply and affordability issues”. Import tariffs on a range of building products were also temporarily suspended from 1 July 2014.

Loan-to-value ratio restrictions

A [loan-to-value ratio \(LVR\)](#) is a measure of how much a bank lends against residential property compared to the value of that property. LVR restrictions were introduced by the Reserve Bank as it believed the housing market was posing a growing risk to financial stability. They took effect in October 2013, and required banks to “restrict new residential mortgage lending at LVRs of over 80% (i.e. deposit of less than 20%) to no more than 10% of the dollar value of their new residential mortgage lending”. High-LVR loans (those made to someone borrowing more than 80% of the value of the mortgaged property) had fallen to 5.6% for the six months to the end of March 2014, compared with approximately 25% of all mortgage lending in September 2013. The Reserve Bank in May 2014 said that housing market pressures were gradually easing, but that risks remained.

Social housing

The [Social Housing Reform \(Housing Restructuring and Tenancy Matters Amendment\) Act 2013](#) provides a framework for the future provision of social housing. It aims to increase the number and diversity of social housing providers, along with the housing choice available to tenants and prospective tenants. With social housing reform, community housing providers are eligible for a subsidy. This enables income-related rents for high needs tenants and their families. To provide a more comprehensive view of social support the Ministry of Social Development assesses the need for social housing rather than Housing New Zealand. The reforms include changes so that social housing tenancies can be reviewed. Overall, social [housing initiatives](#) in Budget 2014 totalled \$107.5 million in operating funding over four years and \$18.2 million in capital.

The [social housing waitlist](#) refers to people waiting for Housing New Zealand and other social housing provider properties at a given point in time. On 30 June 2014, Priority A “at risk” social housing waitlist applications totalled 3,188.

Weathertightness

Weathertightness describes the resistance of buildings to the weather. A [PricewaterhouseCoopers report](#) (2009) estimated the total number of affected dwellings to be between 22,000 and 89,000. It also identified about \$11.3 billion (in 2008 dollars) of leaky home damage, but there were potentially more leaky homes. The [Weathertight Homes Resolution Services \(Financial Assistance Package\) Amendment Act 2011](#) provides a package of financial assistance measures to qualifying claimants. As at 28 August 2014, the Ministry of Business, Innovation and Employment had received 7,084 claims lodged for 11,010 properties. The Weathertight Service had completed 14,194 property assessments (some owners request more than one assessment).

Paul Bellamy, Research Services Analyst



Climate change agreements

There have been significant shifts in the international climate change agreement landscape in the three years since the Parliamentary Library's last briefing to the incoming Parliament. The first commitment period (CP1) of the *Kyoto Protocol to the United Nations Framework Convention on Climate Change*, which set legally-binding emission reduction targets for 37 industrialised countries, came to an end in 2012. Although a second commitment period (CP2) is now in place over 2013 to 2020, not all countries that participated in CP1 have signed on for CP2, including New Zealand.

Three volumes of the four-volume *Fifth Assessment Report (AR5)* by the Intergovernmental Panel for Climate Change (IPCC) have been released. It will be the most comprehensive assessment of scientific knowledge on climate change since the *Fourth Assessment Report (AR4)* in 2007.

New Zealand also submitted its *Sixth National Communication under the United Nations Framework Convention on Climate Change* in December 2013. It outlines policies and measures in place to address climate change and forecasts New Zealand's greenhouse gas emissions to 2030.

The Kyoto Protocol

The 1997 Kyoto Protocol established legally-binding greenhouse gas (GHG) emission reduction targets. The earlier 1992 *United Nations Framework Convention on Climate Change (UNFCCC)* only encourages countries to do so. Although CP1 of the Protocol, which ran from 2008 to 2012, has technically ended, detailed rules in the *Kyoto Protocol Reference Manual* set out the process for the parties to the Protocol to provide a final tally of their emissions over the five-year period. Each party must submit a final report at the end of what is termed the "true-up period" in mid-2015, in order to determine whether they are in compliance with the Protocol. All parties are projected to meet their reduction commitments under CP1 at present. New Zealand's current [net position](#) under the Kyoto Protocol is a surplus of 90.8 million Kyoto units (equivalent to one tonne of carbon dioxide). Based on the current international carbon price of NZ\$0.30, the surplus units have a value of NZ\$27 million.

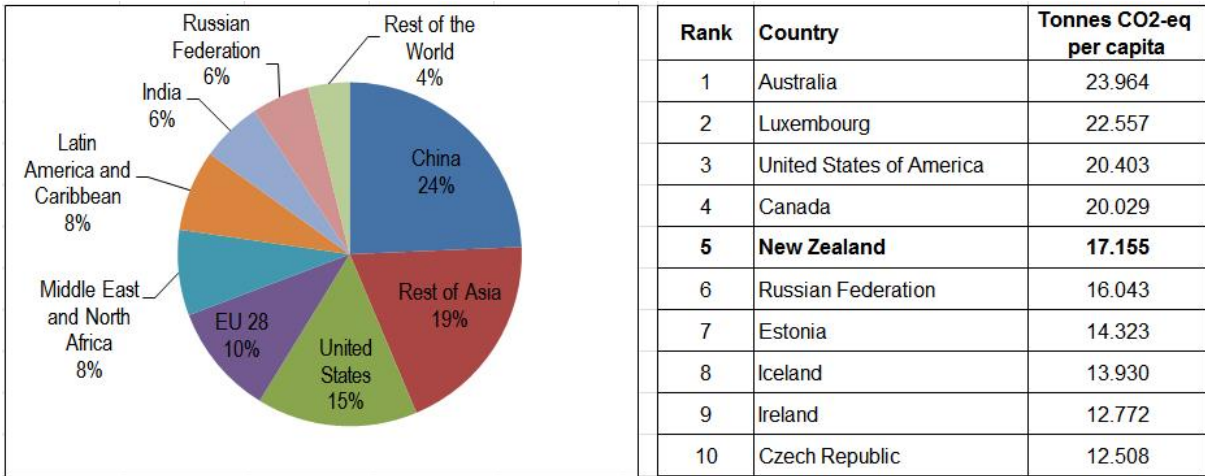
At the UNFCCC Conference of the Parties in December 2012 in Doha, Qatar, the *Doha Amendment to the Kyoto Protocol* was adopted. The amendment established CP2 over the 2013 to 2020 period and the emission reduction targets to be met. During CP1 parties committed to reduce GHG emissions to an average of five percent below 1990 levels. During CP2 parties are legally bound to reduce GHG emissions by at least 18 percent below 1990 levels. However, the composition of parties in CP2 is different. The parties that agreed to CP2 are now mostly restricted to the 28 EU member states and certain countries hoping to gain EU membership in the near future. Canada, Japan, New Zealand and the Russian Federation were participants in CP1, but chose not to commit to CP2 (Canada withdrew halfway through CP1). New Zealand remains a party to the Kyoto Protocol but is taking a quantified economy-wide GHG emission reduction target of five percent below 1990 levels under the UNFCCC over the 2013 to 2020 period. The main difference is that the Kyoto Protocol is legally-binding whereas the UNFCCC agreement is not.

Industrialised countries now bound by the Protocol represent about ten-percent of global GHG emissions. There has been significant growth in emissions from China and Asia in general. The UNFCCC is now focusing on working towards a binding international agreement on emissions beyond

2020 that is genuinely global in its scope and includes all major emitters of GHGs. New Zealand's GHG emissions represent only 0.17 percent of global emissions. However, New Zealand has the fifth highest per capita GHG emissions of all developed countries.

Global greenhouse gas emissions

Gross GHG emissions per capita



Source: World Resources Institute and the UNFCCC.

IPCC 5th Assessment Report

The *Fifth Assessment Report* (AR5) provides a clear and up-to-date view of the current state of scientific knowledge relevant to climate change. It consists of three Working Group (WG) reports and a final Synthesis Report (SYR). The SYR will be finalised on 31 October 2014. However, early WG reports confirm that:

Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, sea level has risen, and the concentrations of greenhouse gases have increased...each of the last three decades has been successively warmer at the Earth's surface than any preceding decade since 1850. In the Northern Hemisphere, 1983–2012 was likely the warmest 30-year period of the last 1400 years.

New Zealand's 6th National Communication to the UNFCCC

The Sixth National Communication is a snapshot of New Zealand's progress towards meeting commitments made under the UNFCCC. The communication highlights that our emissions profile is unique for a developed country, with nearly half our GHG emissions coming from agriculture, compared to an average of 12 percent in other developed countries. The communication provides projections of GHG emissions to 2030. The forestry sector is expected to temporarily transition from a net absorber to a net emitter of carbon dioxide around 2017 to 2023 as forests planted in the late 1980s and early 1990s are harvested for timber. However, the forestry sector is expected to revert to a net carbon dioxide absorber in the late 2030s once the forests harvested in the 2020s are replanted.

Charles Feltham, Research Services Analyst



Freshwater quality in New Zealand

Freshwater quality in our lakes and rivers is a subject of high public concern and vigorous debate. There are three main water pollutants of greatest concern in New Zealand. These are pathogens, sediment, and nutrients ([Parliamentary Commissioner for the Environment](#)). Pathogens are invisible microbes that cause disease. Typical sources are raw and partially treated sewage entering lakes and rivers (usually at specific points); another source is the diffuse entry of faecal coliforms from farm animal excrement leaching into waterways. Soil erosion, particularly along river banks, causes sediment. Phosphorus and nitrogen, primarily from animal urine and fertilisers, are the main sources of nutrient pollution.

In 1991 the “sustainable management” of fresh water was assigned to the regional councils under the Resource Management Act 1991. End-of-pipe (or point) sources of water pollution, which require resource consents, became increasingly controlled and much has been invested in upgrading wastewater treatment. Today diffuse sources of water pollutants, principally from land-use practices, are a much greater challenge.

The biggest source of nitrogen in New Zealand’s waterways is urine from farm animals, and to a lesser extent, runoff from nitrogen-based fertilisers. Both common forms of nitrogen—nitrate and ammonia—are highly soluble in water and easily leach into waterways. In contrast phosphorous in the form of phosphate usually clings to soil particles. The main way in which phosphorus gets into water is when soil is washed into lakes and rivers and becomes sediment.

The Dairying Accords

In 2002, public concern about water quality rose rapidly in response to a “Dirty Dairying” campaign run by Fish and Game New Zealand. The following year the [Dairying and Clean Streams Accord](#) was signed by Fonterra, regional councils, and central government. It ran for a ten-year period ending on 31 December 2012.

The accord set voluntary targets for farmers to be achieved by 2012 including: dairy cattle be excluded from 90 percent of farm waterways; 90 percent of regular stock crossing points to have bridges or culverts; full compliance with regional council dairy effluent rules and consent conditions; and all farms to have an approved nutrient management plan in operation.

These targets were largely achieved, except compliance with regional council dairy effluent rules and consent conditions was 73 percent nationally in 2012, compared to the accord target of 100 percent compliance.

The Dairying and Clean Streams Accord has been superseded by the [Sustainable Dairying: Water Accord](#) which became effective for the 2013/14 dairy season on 1 August 2013. The new accord is a broader and more comprehensive commitment than the previous Dairying and Clean Streams Accord. It includes commitments to targeted riparian planting (a fenced margin along river banks covered with plants that will absorb nitrogen and phosphorus as they grow), improved effluent management, comprehensive standards for new dairy farms and measures to improve the efficiency of water and nutrient use on farms.

Environmental concerns

Concerns over the impact of dairy farming on freshwater quality have grown in recent years. However, whilst dairy cattle numbers have more than doubled since 1980, there has also been a significant decline in the number of sheep and beef cattle. This has resulted in an overall decline in the number of “stock units” over the last 30 years. A stock unit is based on a “[ewe equivalent](#)” system. It estimates the annual energy requirements of various classes of stock and relates this to the base of a “standard ewe”. However, there has been an increase in the intensity of dairy farming (cows per hectare) with the accompanying increase per hectare of animal urine and excrement that needs to be managed on dairy farms.

Stock numbers (000s) and dairy farming intensity

Year	Dairy cattle	Beef cattle	Sheep	Goats	Deer	Total stock units (approx)	Dairy stocking density (cows per hectare)
1980	2,969	5,162	68,772	53	104	112,585	2.07
1985	3,308	4,613	67,854	427	320	111,343	2.30
1990	3,441	4,593	57,852	1,063	976	103,220	2.35
1995	4,090	5,183	48,816	337	1,179	101,389	2.43
2000	4,598	4,594	43,644	175	1,667	97,204	2.62
2005	5,087	4,424	39,880	136	1,705	95,590	2.74
2010	5,915	3,949	32,563	95	1,123	89,819	2.76
2013	6,484	3,699	30,787	80	1,028	90,032	2.85

Source: Statistics New Zealand and the Livestock Improvement Corporation

Environmental groups have commented that the sheer increase in the number of dairy cattle outweighed the benefits achieved under the dairy accords. For example, although the proportion of farms fencing waterways has improved, because of the increase in dairy cattle the actual number still having access to waterways may not have changed significantly and in some cases may have increased. However, the regions with the largest increase in dairy cattle since 1980—Canterbury, Southland and Otago—had some of the highest levels of compliance under the Dairying and Clean Streams Accord.

Amid these concerns the Minister for the Environment established a Land and Water Forum in 2008, based on a collaborative governance model used in Sweden and Finland. The forum contains representatives of iwi, agricultural, industrial, urban, and environmental organisations with interests in water management. With input from the forum, the Government released a National Policy Statement (NPS) for Freshwater Management in 2011. It required councils to maintain or improve the water quality in lakes, rivers, wetlands, and aquifers across their region. An [updated NPS](#) became effective on 1 August 2014, which introduced national standards for freshwater quality. More than 60 freshwater scientists from public, private, and academic sectors across New Zealand were involved in establishing numeric values which set national bottom lines for freshwater quality.

Charles Feltham, Research Services Analyst



Schools and students

The primary and secondary schools sector is the largest of the three education sectors in New Zealand. (The other two sectors are early childhood and tertiary.) In Budget 2014, \$5,629 million is forecast to be spent on primary and secondary schooling in 2014/15. This is just over 45% of total education expenditure.

School types

The primary and secondary schools sector is also known as the compulsory schools sector. Section 20 of the Education Act 1989 requires every New Zealand child to be enrolled at school between their sixth and 16th birthdays.

The school types that provide education for children between six and 16 are generally primary and secondary schools. However within the compulsory schools sector there are a number of different school types providing education for students of various age ranges. The table below shows the most common school types in New Zealand and the student age ranges they provide for.

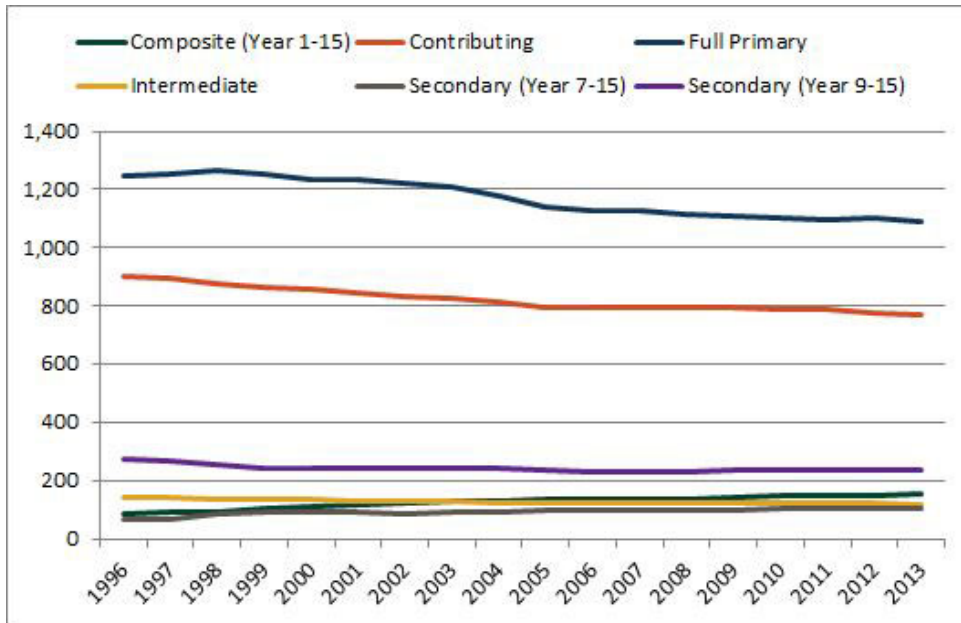
School types

<i>Current Year Level</i>	<i>Approximate Student Age</i>	<i>Full Primary</i>	<i>Contributing Primary</i>	<i>Intermediate</i>	<i>Secondary</i>	<i>Composite</i>
1	5					
2	6					
3	7					
4	8					
5	9					
6	10					
7	11					
8	12					
9	13					
10	14					
11 and over	15 and over					

School and student numbers

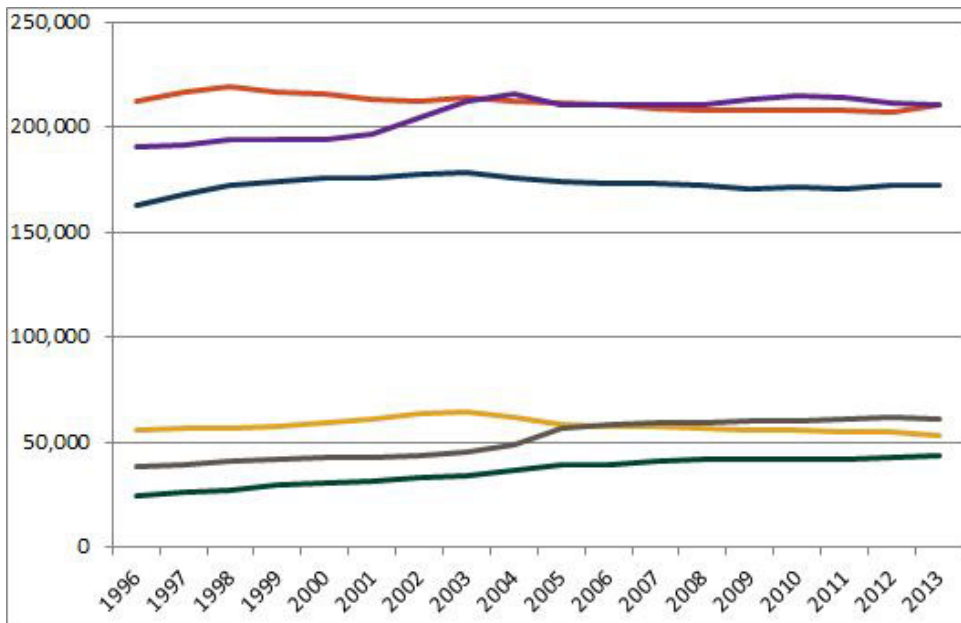
Taking into account all schools, the average number of students per school was approximately 251 in 1996 and approximately 300 in 2013. This is an increase of almost 20%.

School numbers



Source: Ministry of Education statistics: [Education Counts: Number of Schools](#)

Student numbers



Source: Ministry of Education statistics: [Education Counts: Student Numbers](#)

Dr Damien Cole, Research Services Analyst



Merchandise trade

International merchandise trade is an important sector of the New Zealand economy. Bilateral trade reached \$100 billion for the first time in the year ended May 2014 although the latest figures have shown a weakening in exports, with dairy product prices and forestry volumes falling over recent months. The top five exports markets (China, Australia, United States, Japan, and Korea) accounted for 57 percent of total merchandise exports in the year to June 2014. Manufactured exports have fallen over the last ten years, relative to all merchandise trade, from 36 percent to 22 percent.

The Ministry of Business, Innovation and Employment's [Business Growth Agenda](#) has a goal of lifting the ratio of exports to gross domestic product (GDP) from around 30 percent to 40 percent by 2025 (this includes exports of both goods and services). The Finance Minister, Hon Bill English, noted that this is an "ambitious goal" which would require, "a concerted effort by New Zealand over many years. It will also require the continued development of new and expanding export markets". In the year to March 2014, exports of goods and services were 33 percent of GDP.

Merchandise trade—year ended June 2014

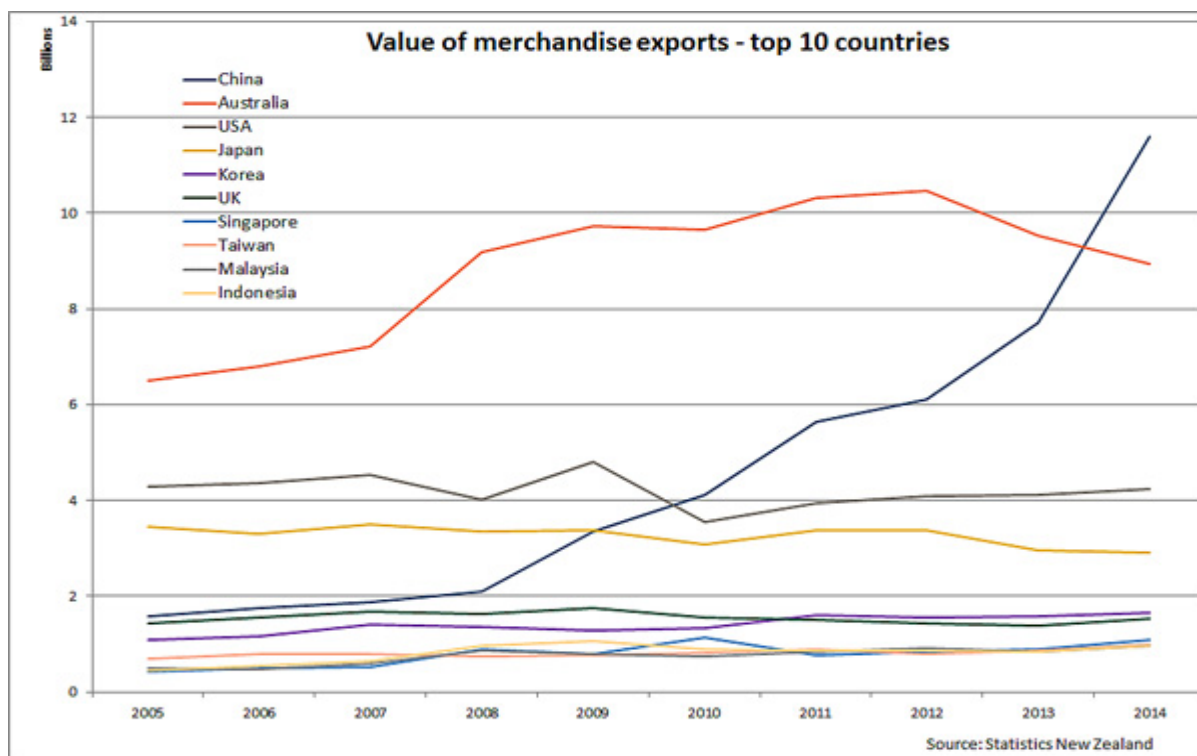
Commodity	Exports (\$m)	% total	Commodity	Imports (\$m)	% total
Milk powder, butter and cheese	15,835	31%	Petroleum and products	8,096	16%
Meat and edible offal	5,640	11%	Vehicles, parts and accessories	6,361	13%
Logs, wood and wood articles	4,036	8%	Mechanical machinery and equipment	6,323	13%
Fruit	1,683	3%	Electrical machinery and equipment	3,815	8%
Mechanical machinery and equipment	1,553	3%	Textiles and textile articles	2,184	4%
Crude oil	1,402	3%	Plastic and plastic articles	1,850	4%
Wine	1,328	3%	Optical, medical, and measuring equipment	1,437	3%
Fish, crustaceans and molluscs	1,326	3%	Iron and steel, and articles	1,315	3%
Casein and caseinates	1,046	2%	Aircraft and parts	1,170	2%
Electrical machinery and equipment	972	2%	Pharmaceutical products	1,102	2%
Other commodity exports	16,366	32%	Other commodity imports	16,333	33%
Total merchandise exports	51,187	100%	Total merchandise imports	49,986	100%

Source: Statistics New Zealand

There has been substantial growth in exports to China since the signing of the New Zealand–China Free Trade Agreement in October 2008 with China recently replacing Australia as New Zealand's largest bilateral trading partner. Over the year to June 2014, the value of merchandise exports to China rose by 50 percent to \$11.5 billion, with 23 percent of all exports in the year to June 2014 going

to China, compared with eight percent of exports in 2009. The growth is primarily due to dairy exports although exports of other commodity products, such as logs and meat, have also increased.

Recent weeks have seen weaker prices in dairy auctions and lower international commodity prices. Treasury noted in the Pre-election Economic and Fiscal Update that while dairy auction prices tend to be volatile, sustained lower prices would pose some risk to economic growth.



Trade with Australia fell in the year to June 2014. Exports were down 6.3 percent, primarily due to a fall in crude oil exports, and imports were down 11.2 percent. Trade with the European Union and the United States has also decreased in relative terms, while trade in merchandise goods has increased to Asian countries.

While exports are still strong, the high New Zealand dollar will continue to be a constraint for some sectors. The concentration of exports in a few commodities and the volatility of these prices and markets is also a factor. Conversely the high dollar, which reduces the price of imports, combined with a growing economy, means imports should remain high.

Selected sources

[Statistics New Zealand](#)

[NZIER](#)

[Treasury](#)

Emma Doherty, Research Services Analyst



Internationally and nationally, interest in cycling is increasing. Over the last five years there have been advances in cycling infrastructure in New Zealand, initiated by central and local governments, which have made it easier for New Zealanders and tourists to participate in cycling. Despite this, [Ministry of Transport travel pattern data](#) shows that the number of children cycling to school in New Zealand has declined dramatically since 1989.

Nationally there was a 16% increase in those who cycled to work in 2013, compared to 2006. Census 2013 showed cycling to work in Wellington had increased by 73% since 2006, to 3.6%. In Christchurch 5.8% of Christchurch employees travelled to work by bike, up from 5.3% in 2006.

The Wellington City Council's 2014/15 annual plan tripled the cycling budget to \$4.3 million to help make cycling safer and easier. In Christchurch the council has committed to building their Major Cycle Way Programme (consisting of 13 separate major cycle ways) in 5 years. The cost has been estimated at \$68.3 million, based on 2012 costings.

This paper highlights two cycling initiatives: New Zealand Transport Agency's Cycling and Walking Model Communities and the New Zealand Cycle Trail.

Cycling and Walking Model Communities

Until 2009 cycling and walking investment by the New Zealand Transport Agency (NZTA) and their predecessors had taken a piece-meal approach. However, NZTA was interested in seeing the difference that could be made if significant investment was allocated to deliver a suite of initiatives. In 2010 New Plymouth and Hastings were chosen as model communities—urban environments where walking or cycling is offered to the community as the easiest transport choice. The aim was also to make walking and cycling safe to suit novice users commuting to school or work.

New Plymouth District Council and Hastings District Council received \$3.71 million and \$3.57 million respectively, from NZTA, over the 2010/11 and 2011/12 financial years. The councils also contributed funding. Both communities have changed the shape of their cities with new shared paths. They have linked and upgraded existing paths and added new cycle lanes.

New Plymouth—Let's Go—Budget \$6.5 million

Let's Go aimed to encourage and enable recreational cyclists and walkers to transition from the well-used coastal walkway to commuting on road and on the many upgraded and connected pathways. It is hoped a strong focus on safety and getting school children and their parents to walk and cycle will embed the active transport habit in the next generation. Let's Go has

- built cycle ways, combined paths, and underpasses and made improvements to intersections
- done travel planning work with 27 schools reaching over 8,500 students
- provided Cyclist Skills sessions for 5,956 children
- started work on a new suite of infrastructure projects, funded by the council.

Census data shows that cycling mode share for trips to work in New Plymouth has increased from 2.1% to 2.6% since 2006. Travel to school data shows that since the inception of Let's Go the number

of children travelling by car to school in New Plymouth has declined by over 25% with a corresponding increase in travel by bicycle, scooter, bus, and foot.

Hastings–iWay–Budget \$6.5 million

iWay focused on providing links between the places where people live, work, and learn, with new pathways connecting the centre of Hastings to outlying towns, and enhanced on-road facilities. Focus has also been on disadvantaged communities where accessible transport options are important, and the health benefits of active transport modes are greatest. iWay has

- developed 108km of on and off-road pathways and a range of facilities for cyclists and walkers
- upgraded numerous intersections and existing footpaths
- trained over 900 school children on cycle safety through an ongoing cycle skills programme
- enrolled 9 schools on the MoveIt campaign to encourage children to cycle or walk to school
- hosted numerous events including the Big Bike Fix and Fashion Parade
- recycled hundreds of cycles.

There has been a strong increase in walking and cycling mode share. Census 2013 data shows cycling mode share for trips to work in Hastings has increased from 2.9% to 3.5% since 2006.

New Zealand Cycle Trail

The New Zealand Cycle Trail (NZCT) project arose from the Government's 2009 Employment Summit. The primary objectives of the NZCT were to

- create jobs through the design, construction, and maintenance of the cycle network
- create a high quality tourism asset which will enhance New Zealand's competitiveness as a tourism destination, and provide on-going employment and economic development
- maximise the range of complimentary benefits that the cycle network provides.

Eighteen trails were selected for funding. These were allocated \$46.4 million for their construction, supplemented by \$34.7 million raised in co-funding by applicant groups. Fifteen of the trails had officially opened as at August 2014. The remaining trails have some sections open. Together these trails comprise approximately 2,500 km of track. The NZCT has expanded to include other existing off-road trails that meet the Great Ride standard, such as the Otago Central Rail Trail. Under the Network Expansion Project, on-road cycle touring routes are being added to the NZCT.

In January 2014 the Ministry of Business, Innovation and Employment published an evaluation of NZCT. The evaluation noted that progress had been made towards achieving many of the objectives, including the creation of jobs and regional investment in the trails and related businesses. It was also noted that it is too early to assess the achievement of long term objectives. Approximately 1,000 people have been employed at some stage on the construction of the trails. To date, the trails have not led directly to further employment through their on-going maintenance and operations. The trails provide new tourism and recreational assets and have facilitated community engagement through volunteering.

Selected Sources

New Zealand Transport Agency [The Model Community Story with New Plymouth and Hastings](#)
[The New Zealand Cycle Trail](#)

Sarah White, Research Services Senior Librarian



One year in the Great War: commemorating New Zealand's 1915

By the dawn of 1915, New Zealand was enmeshed in the Great War. Its involvement began on 4 August 1914, when Britain declared war on Germany, thus formally involving the British Empire. Later that month the New Zealand forces captured German Samoa. In December, the main body of the Expeditionary Forces (NZEF) arrived in Egypt. Though having set off for France, the troops were diverted as a result of the Ottoman Empire's entry into the conflict. Also in December 1914, the NZEF combined with the Australian Imperial Force to form the Australian and New Zealand Army Corps, which soon became known as ANZAC.

Below is a chronology of events in the Great War involving New Zealand for the year 1915, followed by 2015's national commemorative events.

February

3 : New Zealand troops assist in defence of the Suez Canal against Ottoman forces. Private [William Ham](#) becomes the NZEF's first combat fatality.

April

25 : Around 3,100 ANZAC troops, sailing from Mudros on the Greek island of Lemnos, land at a bay (later known as Anzac Cove) near Ari Burnu on the Gallipoli peninsula in Turkey. Their aim is to block Ottoman troops retreating from the main British landing at Cape Helles in the south, and prevent reinforcements arriving from the north.

2015	
▶	Opening of the Pukeahu National War Memorial Park , Wellington.
▶	Dedication of the Australian War Memorial in the National War Memorial Park.
▶	Joint Australian–New Zealand dawn service at Gallipoli , followed by New Zealand ceremony at Chunuk Bair, Turkey.
▶	By this date, the Gallipoli Heritage Trail will be open.


May

5–8 : Second battle of Krithia, in the Helles sector, in which the Allies undertake a series of daylight assaults on Ottoman trenches. The Allies gain 500m at the expense of 6,500 men killed or wounded.

19 : ANZAC troops successfully repel 40,000 Ottoman troops from the Anzac perimeter. More than 3,000 Ottomans are killed, leading to a day-long truce on the 24th to allow the burial of the rotting dead.

August

8 : The Wellington Battalion captures an unoccupied Chunuk Bair during the Battle of Sari Bair and holds it for two days until relieved by British troops. The next day Chunuk Bair is recaptured by the Turks.

2015
 Ceremony at Chunuk Bair

21–29 : New Zealand forces take part in failed assault on Hill 60 (Kiajick Aghala).

October

23 : The transport ship *Marquette*, en-route from Alexandria to Thessaloniki to assist the Allies' Salonika campaign, is sunk by a German U-boat's torpedo, resulting in 167 deaths. Amongst the 32 New Zealanders who drown are ten nurses and 19 Medical Corps staff.

December

7 : The British Government declares that Suvla Bay and Anzac Cove are to be evacuated.

20 : Completion of the evacuation of 105,000 troops from Suvla Bay and Anzac Cove. The ANZACs return to Egypt, awaiting redeployment on the Western Front in April 1916.

The Gallipoli campaign saw 8,556 New Zealanders set foot on the peninsula. It resulted in the death of 2,721 New Zealanders—1,669 of whose bodies were unidentified—and the wounding of a further 4,852. In all, the 260-day long Gallipoli campaign involved 469,000 British and Imperial soldiers—over 34,000 of whom died—and around half a million Ottoman troops, of whom almost 87,000 died.

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Glenn Hardingham, Research Client Services Librarian

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