

NEW ZEALAND Country Summary

Introduction and Overview

New Zealand has no explicit family policy and its implicit family policies resemble those of the other Anglo-American countries such as Australia, Britain, Canada (the Anglophone part), and the U.S. Family policy in New Zealand, according to Ian Shirley et al. (1997), has to do with two major and several minor socio-cultural traditions of family formation and organization which have confronted each other since the first contact between the Europeans and the native Maori in the late 18th century. Different patterns of inheritance, adoption, and kinship were sustained in the face of colonialism, high rates of intermarriage, and a different system of formal organization leading to persistent tensions within the society, exacerbated further by repeated waves of new immigrants, bringing in still other cultural differences (Belgrave, et al., 2002).

For many years, New Zealand was considered a social laboratory, a small geographically isolated country, on the periphery of the global economy. At the heart of its family policies were two developments: the establishment of a family wage—a wage enabling a man to support a wife and three children at a decent standard of living (and an assumption that the wife remained at home to care for children)—coupled with full (male) employment. Shirley, et al. (1997) state, "This concept of a 'family wage' was at the center of New Zealand's post-war development, and in that sense it comes closest to what might be defined as a family policy" (Shirley, et al., 1997, p. 214). The family wage not only established a minimum income for the majority of households, but it also protected wage levels and work conditions and included provisions for sickness leave and overtime. Furthermore, it complemented government provision of a free and universal system of primary and secondary education, a community-based preventive health system, a public hospital system, a government housing scheme for those who could not afford a home of their own, and a selective, residual, and somewhat punitive safety net for those who for one reason or another, were not in the wage earning sector.

For a large part of the post-war period, New Zealand had full employment and there was little need for its safety net. But in the 1970s as a consequence of a declining market for its agricultural products (in part as Britain became closer to the continent following its joining the European Union), the oil shocks, the emerging global economy and opening up of New Zealand's markets to other countries -- full employment ended, as did its family wage. And with the end of these two social policy pillars, families' standard of living began to decline, women's labor force participation rose in part to protect that standard, and other family changes emerged. New policies were imported, largely from the conservative, new right in UK and the US. Families with children were especially vulnerable. At present, its family policies are all narrowly targeted. Its universal family allowance has been eliminated. Its social welfare benefits, family support (its refundable tax credit), housing supplement, community services card (a voucher for reduced fees for prescription drugs), childcare subsidies, and student allowances are all income-tested. And with the couple as the unit for assessment, lower benefits go to couples than to two single adults in a cohabiting relationship. Finally, income-related fees were imposed in the 1990s with regard to higher education, early childhood education and care (ECEC) programs, and health care.

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Belgrave, et al (2002) propose that “the New Zealand experience suggests the vulnerability of children during periods of social upheaval and change and the importance of having effective mechanisms to monitor, protect and promote the interests of children” (pp. 1, 46-48).

There is growing concern regarding the negative impact on children of the various social reforms that have been implemented since the mid 1980s. In 2002 the New Zealand government issued two reports:

1. The *Youth Development Strategy*, involving the active participation of youth aged 12-24 along with experts, describes how the government and the society can support young men and women develop the skills and attitudes they need to take an active and positive role in society now and in the future.
2. The *Agenda for Children*, aimed at improving the well-being of children under age 18, in particular, reducing child poverty, taking a holistic view of children, and stressing the role of research.

Government Agencies

The major government agencies with responsibility for social and family policies include the Department of Social Welfare, Income Support Service (ISS) which has responsibility for the various categorical family benefits and delivers them through local offices; and the Department of Inland Revenue, which administers the family tax credit and the guaranteed minimum family income programs (New Zealand Ministry of Education, 1998). Regional health authorities administer medical benefits. The Department of Education has responsibility for education and ECEC.

Demographic and Other Social Trends

New Zealand is a small country with a population of 3.9 million in 2000 including about 435,000 Maori. It is a relatively young country with a demographic picture that is very similar to the U.S. Children under 15 constitute 23 percent of the population and elderly 11.8 percent. Its fertility rate, at 2.0, is just about at the replacement level. Like the U.S., it, too, has a high rate of immigration and a large native minority population, in particular, Maoris, but also a significant group of Pacific Islanders and Asians. Maoris constitute about 14 percent of the population but 24 percent of the children (and 27 percent of children under age 5. It is a country whose population and culture are based on a combination of immigrants and natives. Its female labor force participation rate is lower than the U.S. and similar to that of Australia, the U.K., or Portugal. Its unemployment rate is about the OECD average at 6 percent in 2000, and about the same for men and women. Its youth unemployment rate is 13 percent (2000), a little higher than the OECD average. Its per capita GDP is about \$20,700, below the EU and OECD averages, significantly lower than Australia and the US.

In its early years, New Zealand experienced very high rates of intermarriage between its predominantly male British settlers and native Maori women, with very high fertility rates initially but declining rapidly in the mid 20th century. It experienced a longer baby boom

following World War II than any other country. However, it is now following the same demographic patterns as the rest of the industrialized world: declining fertility, marriage, and remarriage rates, and increasing divorce, later marriage and childbearing, etc. Teen fertility rates, which were very high, have declined, but still are high on a comparative basis. Teen out-of-wedlock birth rates are especially high among Maori women, about 36 percent in 1991. Two-parent families were the standard for many years in New Zealand and the unit around which family policies developed. They have declined as a portion of families with children over the last two decades, yet still remain the most common form. There are a growing number of two-parent families with no wage earner, however; and growing numbers of lone-parent families, who constitute about 34 percent of all families with children if one includes those living with parents or kin. Most are lone mothers, and most of these are at home rather than in the labor force. Over 2/3 (68 percent) of all parents with children under the age of 13 were employed in 1995, including 85 percent of married mothers, but only 15 percent of sole mothers. Children are much more likely than adults to live in low-income households and Maori children are more likely to live in such families, and in lone mother families which are especially likely to have low incomes.

Social Protection

New Zealand was viewed as at the forefront of welfare state developments right through the early post-World War II years. Its social security act was passed in 1938 and includes the standard old age, survivors, disability, and unemployment benefits as well as free and universal education and health care. It enacted a family allowance in 1940 providing a cash benefit to all second and subsequent children, and then covered first children the following year, making it a universal benefit for all children in 1946. Since the 1970s, however its cash benefits have become increasingly selective and income-tested and benefit levels have eroded since the mid 1980s. With a welfare state predicated on full employment and a family wage, and a sparse and residual safety net, when the two basic pillars went, families with children became especially vulnerable -- and very little was available except through social assistance and tax benefits, and these were meager. It no longer provides a universal family allowance. Instead, since 1986 it provides a refundable tax credit, which has replaced four earlier categorical benefits, all targeted on low-income families, a second family tax credit, a means-tested guaranteed minimum income, and a means-tested social assistance benefit for lone mothers.

Child, Youth and Family Policy Regimes

Maternity, Paternity, Parental, and Family Leaves

Beginning July 1, 2002, a woman who has been in paid employment with a single employer for 10 or more hours a week for at least one year before the birth or adoption of a child, has the right to a paid and job protected leave for 12 weeks. She would receive a benefit equal to her full wage or a flat rate benefit worth about half an average wage, whichever is lower. The mother can choose to assign part of her leave to the child's father, or to her partner (of the same sex or not).

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Parents also have the right to an unpaid extended leave of up to 52 weeks (including the 12 weeks maternity leave) for either or both parents (shared sequentially) to care for an infant or adopted child (New Zealand Department of Labor and National Advisory Council on the Employment of Women, 1998).

In addition, there is a special income-tested cash benefit for single mothers payable at the sickness benefit rate, for three months before and after childbirth. The benefit can be extended if there are medical complications.

Early Childhood Education and Care (ECEC)

Since the 1877 Education Act, education in New Zealand has been free, compulsory, and secular. School is compulsory between the ages of 6 and 16 and students may enroll and receive a free education from age 5. All five-year-olds are in school now (New Zealand Ministry of Education, 1998).

In 1986, all ECEC services including preschools, center-based programs, and family day care were placed under one government department, the Department of Education (New Zealand Ministry of Education, 1998). This had a major impact on the programs, stimulated growth, and led to the development of a special early childhood education and training program for ECEC staff in university-level, schools of education. The ECEC programs are funded largely by government with income-related parent fees for some services and some free programs. There was an extensive increase in the supply of these services during the 1990s and a recent increase in government subsidies to improve quality in the areas of child:staff ratios and staff qualifications.

According to New Zealand's Ministry of Education (1998), ECEC programs include:

- Education and Care services, which are part or full day programs for children from birth to age 5, under for-profit or non-profit auspices, or as an adjunct to a business or organization. They are the largest single form of ECEC services and constitute almost 34 percent of all licensed and developing programs. They have doubled in numbers since 1990;
- Programs based on the total immersion of children from birth to school age in Maori language, culture and values, which are the second largest group, constituting 16 percent of the programs;
- Kindergartens, which are part day programs for children aged 3-5, free and the third largest group and include 15 percent of the programs;
- Other programs include parent managed and supervised play centers, supervised family day care homes (serving the under 2s especially), programs serving Pacific islanders, and unlicensed play centers.

There are also separate clusters of family support services, ("parent support and development programs"), many of which are also funded by the government, and which provide home visiting programs (e.g. HIPPY; Parents as First Teachers), intensive social and health services or links to these services, compensatory education.

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Of the Education and Care Services, over half (52 percent) were operated by for-profit providers, 37 percent are community based and operated by non-profit providers, and about 10 percent are operated by businesses, universities, etc. (New Zealand Ministry of Education, 1998).

Coverage is about 56 percent of children aged 0 to 5 in licensed programs: 100 percent for 4 and 5 year olds , 90 percent of three year olds, 51 percent of two year olds, 30 percent of one year olds and 11 percent of infants under age one.

Maori children account for almost 19 percent of ECEC enrolments, only slightly lower than the 22 percent of Maori children enrolled in school at age 5. About 40 percent of these children attend the special programs for Maori children.

The government is stressing improved quality for the programs, and doing this by providing higher support for those improving staff:child ratios and staff qualifications. Staff:child ratios in 1998 in the ECEC programs were 4.8:1 across the age range 0-5 and 11.7:1 in the kindergartens, for the 3-5 year olds.

About half of all parents wanting to use before and after school programs say they cannot because they cannot afford the fees. And many mothers who wish to take jobs, especially Maori mothers, sole parents, and those from lower-income families also complain that accessing quality, affordable ECEC is problematic for them because of the costs (New Zealand Ministry of Education, 1999, 1998).

Family Allowances

New Zealand no longer provides a universal family allowance as it did in the past. It provides instead a series of income-tested benefits described as "family allowances" including: a targeted refundable tax credit for families with children under age 16 (Family Support); another targeted tax credit for low-income families with children (the Independent Family tax Credit); a special benefit for persons caring for a mentally or physically disabled child at home.

Child and Family Tax Benefits

The income tax unit is the couple. New Zealand provides two tax benefits for families, both assessed on the basis of the couple, and both targeted on low-income families with children: one is a refundable tax credit described above (Family Support) and the other the supplementary tax credit referred to above. It is unclear how significant these benefits are in the family income package.

Other Child Conditioned Income Transfers

New Zealand provides survivor's benefits for the children of a deceased worker, a dependent's benefit for the child of an old age pensioner, a special benefit for a disabled child, medical benefits for dependents with an extra benefit for low-income families, a social assistance benefit called the Domestic Purposes Benefit, for low-income single mothers, and a means-tested guaranteed minimum family income (Social Security Administration, 2000).

Child and Adolescent Health

New Zealand provides a national health service, with income-related fees. There is no special health benefit for children.

Housing Benefits

New Zealand provides an income-tested housing benefit to low-income families with children.

Youth

Twenty percent of school-aged children, aged 5-13, were enrolled in after or out of school programs. Compulsory school ends at age 16. The youth unemployment rate is about 13 percent for both males and females. There is a special youth unemployment benefit for those aged 18-24 and a special youth disability benefit for 16-17 year olds.

The government released its plan for youth aged 12-24 in February 2002, the Youth Development Strategy.

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