

Household Spending on Culture: 2006

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Preface

Cultural activities play a significant part in the daily lives of New Zealanders, contributing, among other things, to our national identity and our understanding of ourselves as a nation. This report provides insights into the cultural participation of New Zealanders by looking at patterns and trends of expenditure of New Zealand households on cultural goods and services. *Household Spending on Culture 2006* provides data on how much New Zealand households spent on cultural goods and services during the year ending June 2004.

New Zealand households spent \$2.9 billion on cultural goods and services during 2003/04. Increased spending on cultural items by New Zealand households in 2003/04 compared with 2000/01 is reflected in an increase in number of households reporting expenditure on such items as well as an increase in the share of cultural spending within total household spending.

This report is part of a Cultural Statistics Programme operated jointly by the Ministry for Culture and Heritage and Statistics New Zealand which aims to provide useful statistical information on the cultural sector in New Zealand. Using data on spending on cultural goods and services extracted from the Household Economic Survey, the report builds on and updates two previous reports published by Statistics New Zealand, *Household Spending on Culture*, published in 1996, and *A Measure of Culture: Cultural Experiences and Cultural Spending in New Zealand*, published in 2003.

The report is intended to inform the wider community and business sectors about cultural consumption of New Zealanders, as well as assisting researchers and policy analysts involved with the cultural sector.

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Highlights

Aggregate annual household spending on cultural goods and services increased by 20 percent from \$2.3 billion in 2000/01 to \$2.8 billion in 2003/04 (adjusted for inflation).

Average weekly household expenditure on cultural items during 2003/04 was \$37.70, up from \$30.70 in 2000/01.

Spending on cultural goods and services accounted for 4 percent of net total household expenditure in 2003/04.

Broadcasting was the single largest category of cultural spending, accounting for 32 percent of total spending on cultural goods and services. Households spent \$12 per household per week on broadcasting.

Annual household spending on literature accounted for 21 percent of total cultural spending. Households spent on average \$7.90 per week on literature.

Annual household spending in the film and video category recorded the largest increase at 94 percent, from \$182 million in 2000/01 to \$353 million in 2003/04.

Households in the Auckland region reported the highest average weekly spending on cultural items at \$46.50. Households in the Lower North Island spent \$36.30, while those in the South Island spent \$35.50 and Upper North Island households spent \$31.20.

DVDs are becoming more popular in New Zealand. Household spending on hire and purchase of DVDs increased from \$9 million in 2000/01 to \$102 million in 2003/04.

Spending on compact discs accounted for about 60 percent of the total spending recorded in the music category.

Based on individual spending recorded in diaries:

- Sixty percent of spending on cultural goods and services was by women.
- Those in the 35–44 age group spent the most on cultural items (\$12 per week) while those in the 15–24 age group spent the least (\$6.40).
- Cultural spending increased with the purchaser's level of education: People with post-graduate degrees spent the most (\$20 per week) while those with no formal qualification spent the least (\$5.80 per week).
- Younger New Zealanders (aged 15–34 years) spent more on DVDs than video cassette tapes, while those aged 55 years and over spent more on video cassette tapes.
- Spending on compact discs declined with age – those in the 15–34 age group were the biggest spenders.

- Individual spending on newspapers and magazines increased with age.
- Individual spending on books declined beyond the age of 54 years.

Some of the significant cultural item expenditure reported by permanent and private households in New Zealand in 2003/04 included:

- **\$378 million** on subscriptions to subscriber television or \$4.90 per week per household
- **\$263 million** on subscriptions and donations to charitable, church or civic organisations
- **\$244 million** on purchase of television sets and televisions
- **\$160 million** on magazines or \$2.10 per week per household
- **\$154 million** on cinema tickets and cinema clubs or \$2 per week per household
- **\$151 million** on newspapers or \$1.90 per week per household
- **\$114 million** on purchase of compact discs or \$1.50 per week per household
- **\$102 million** on hire and purchase of DVD discs or \$1.30 per week per household
- **\$97 million** on hire and purchase of video cassette tapes or \$1.20 per week per household
- **\$61 million** on DVD players.

Introduction

Background

Household Spending on Culture 2006 is part of the Cultural Statistics Programme – a joint initiative between Statistics New Zealand and the Ministry for Culture and Heritage (MCH)–that aims at providing useful statistical data about the cultural sector in New Zealand. It is envisaged that such data on culture will improve the range and quality of information available on the cultural sector. This report follows a series of statistical publications on culture put out by Statistics New Zealand and the Ministry for Culture and Heritage since 1993, when the Programme was initially launched.

The first report on household spending on culture was published by Statistics New Zealand in 1996, and presented expenditure data for the year ended March 1996 based on the Household Economic Survey (HES). The HES is a sample survey that collects information on the incomes and expenditure patterns of permanent and private households throughout New Zealand. Data on cultural spending were subsequently updated in *A Measure of Culture: Cultural Experiences and Cultural Spending in New Zealand*, published in 2003, which was based on HES data for the year ended June 2001. The 2003 report also included results from the Cultural Experiences Survey conducted over a 3 month period ended March 2002. This one-off survey was conducted to produce information on consumption patterns of cultural goods and services in New Zealand and barriers to consumption.

Objectives

This report provides an update on cultural spending by New Zealand households based on information available from the HES for the year ended June 2004. The report also looks at trends in household expenditure between 2000/01 and 2003/04 for specific cultural categories, and, where possible, comments on any major variations or shifts during this period. It is not intended to draw comparisons with the 1995/96 HES data due to the uneven time interval between the two periods 1996–2001 and 2001–2004.

All analysis in this report comparing 2000/01 and 2003/04 data is based on ‘current dollar’ (nominal) values rather than ‘real dollar’ values (adjusted for inflation), unless specifically stated otherwise. Over the three-year period, the all groups Consumers Price Index (CPI), which measures changes in the prices of goods and services purchased by households, has increased by 6.6 percent. Therefore, this increase in the CPI may also have contributed to the changes in the nominal expenditure values presented in the report.

The 2003/04 HES was based on a sample of approximately 3,000 permanent and private households drawn from rural and urban areas throughout New Zealand. Though cultural spending was not a formative objective of the HES, a list of cultural items drawn from the *New Zealand Framework for Cultural Statistics 1995* (NZFCS) was identified from the survey to provide a picture of cultural spending. Appendix A

provides a list of cultural items that were specifically identified in the HES and Appendix B provides technical information on the HES itself.

The information contained in this report is expected to be of use to people in the cultural goods and services industries, government analysts and policy-makers, as well as independent researchers looking at the cultural sector. While those in the cultural industries may draw upon this report for a better understanding of the market and their customers' profile, those in the government will find the report relevant to policy work. In addition, the regional level information provided in this report should be of use to regional authorities.

Report Layout

The sections in this report correspond to the structure of the [New Zealand Framework for Cultural Statistics](#). The Overview section provides a snapshot of all cultural goods and services, providing aggregated information on total cultural spending. Subsequent sections deal with each major category listed in the NZFCS, and provide a more detailed analysis on the cultural spending patterns and characteristics of purchasers. A list of all published material consulted while writing this report is provided in the bibliography at the end of the report (Appendix C).

Limitations

As this report is intended to cover only those cultural goods and services for which New Zealand households report spending, it excludes those that are available free of charge but listed in the NZFCS, as in the case of visits to marae, wahi taonga, archives, libraries and churches. For similar reasons the report also excludes cultural activities such as watching free-to-air television, listening to the radio, reading library books, attending exhibitions, attending church services and participating in organised social activities. These activities were covered in detail in an earlier report of Statistics New Zealand – [A Measure of Culture: Cultural Experiences and Cultural Spending in New Zealand](#), published in 2003.

Since this report is based on HES data, it is bound by the limitations of the HES design. HES data pertains to money spent by permanent and private New Zealand households only and excludes non-permanent and non-private households including foreign embassies, companies, institutions, local authorities and government departments. People who are not surveyed include: overseas visitors who expect to be resident in New Zealand for less than 12 months; people living in non-private dwellings such as hotels, motels, boarding houses, hostels, motor camps or homes for the elderly; patients in hospitals; residents of psychiatric and penal institutions; members of the permanent armed forces; members of the non-New Zealand armed forces; overseas diplomats; children under the age of 15 years and children at boarding schools. Consequently, the expenditure data provided in this report represent only a portion of total cultural spending in the country.

Furthermore, since HES data is collected through a sample survey, reported spending figures are subject to sampling errors. Where the sampling errors for individual cultural items were higher than that normally accepted for published statistics, this report did not attempt further in-depth analysis for such items.

The purchaser profile provided in this report is based only on spending recorded by adult respondents in their fortnightly expenditure diaries. Since this diary spending relates only to purchases of single items with a value of less than \$200 (purchases of single items worth \$200 or more are recorded in the household expenditure questionnaire and hence cannot be attributed to individual purchasers), it represents only a portion of the total spending on cultural items. Therefore, purchaser profiles should only be taken as an indicator of purchasers' characteristics. It also needs to be kept in mind that purchaser characteristics provided in this report may differ from actual user characteristics since people who report spending may not necessarily be the actual users of the goods and services.

Unless stated otherwise, all figures in this report have been rounded as follows:

- Average weekly spending to the nearest 10 cents
- Aggregate annual household spending and total weekly spending to the nearest \$ million
- Percentages to the nearest integer.

Overview

Overview of Household Spending on Culture

In recent years, spending on cultural goods and services by New Zealand households has increased at a higher rate than net total household spending. Between the years ending June 2001 and 2004, household spending on cultural goods and services increased by 8.6 percent per annum, while the net total expenditure on all goods and services increased by only 6.6 percent per annum. In dollar terms, the annual aggregate spending on cultural goods and services increased from \$2.3 billion in 2000/01 to \$2.9 billion (\$2.8 billion after adjusting for inflation) in 2003/04, and the net household spending increased from \$57.1 billion to \$69.2 billion (\$64.9 billion after adjustment). This spending on cultural goods and services reflected an increase of over 28 percent (20 percent after adjustment) during the period under review. In terms of weekly expenditure, New Zealand households spent an average of \$37.70 per household on cultural goods and services during 2003/04 – up from \$30.70 during 2000/01.

Spending on cultural items accounted for 4 percent of net household expenditure in the year to June 2004. Figure 1 compares 2003/04 spending on cultural goods and services with spending on other selected goods and services. Cultural spending by households exceeded spending on goods and services such as domestic power and fuel, apparel and overseas travel. In terms of broad expenditure groups, households spent the most on housing (24 percent of total net expenditure), followed by food, transportation and other services (16 percent each), household operation (13 percent), other goods (11 percent), and apparel (3 percent).

Figure 1

Aggregated Annual Household Spending on Selected Goods and Services
Year ended June 2004

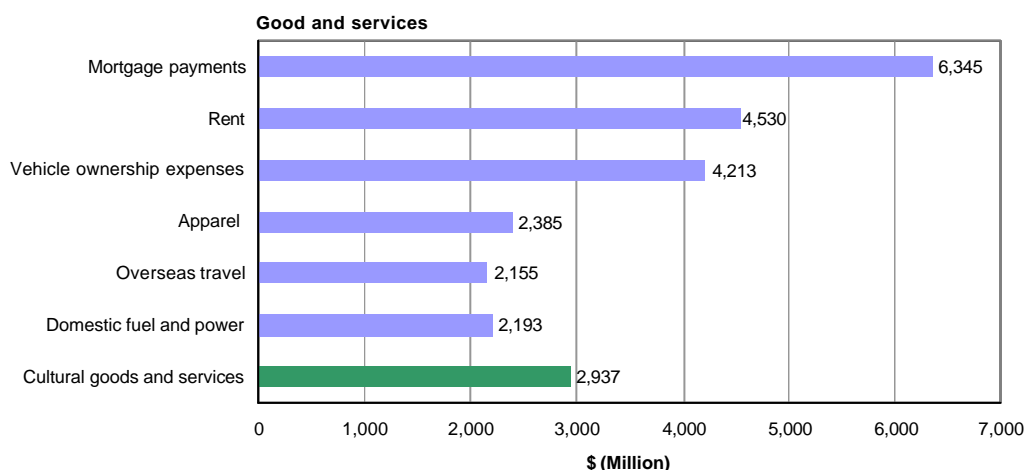


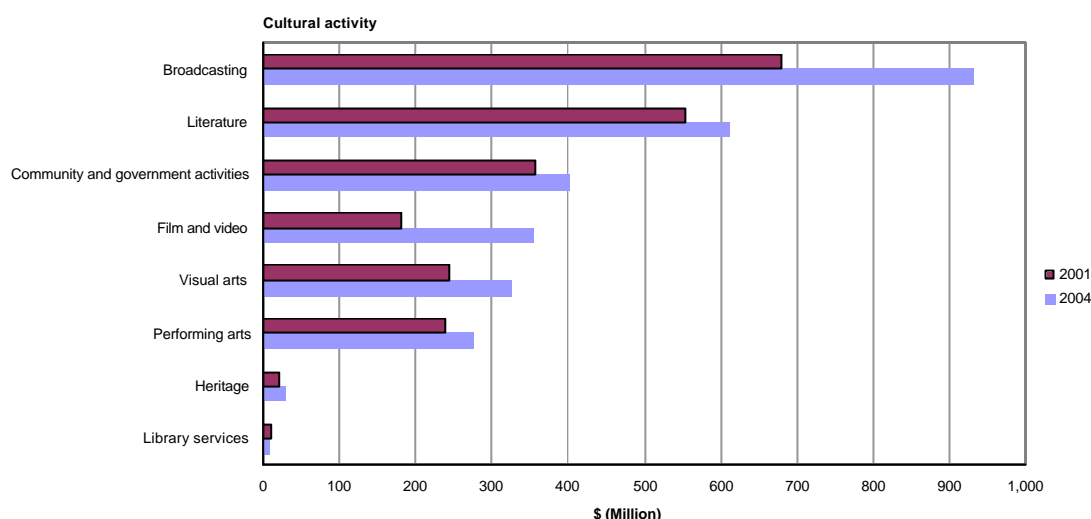
Figure 2 shows expenditure on cultural items by broad product and services categories listed in the *New Zealand Framework for Cultural Statistics* (NZFCS) during the year ended June 2004. Within cultural spending, broadcasting constituted the single largest expenditure category at \$932 million, an average of \$12 per household per week, or 32 percent of total spending on cultural goods and services.

This was followed by \$613 million spent on literature (averaging \$7.90 per week), which accounted for 21 percent of cultural spending.

Figure 2

Aggregated Annual Household Spending on Cultural Goods and Services

By category
Year ended June 2001 and 2004



Household spending on cultural goods and services recorded some significant changes between the 2000/01 and 2003/04 surveys (figure 2). Expenditure in the film and video category registered the largest increase (94 percent) during the period under review. This was a result of the increased expenditure on purchase and hire of DVD discs – from \$9 million in 2000/01 to \$102 million in 2003/04. Expenditure in the broadcasting category increased by about 37 percent, mainly due to increases in expenditure on audio-visual appliances, televisions, televideos, DVD players, and subscriptions to subscriber television. Although expenditure on library services was the only category to register a decline in 2003/04 HES, it does not necessarily reflect a decline in use of such services. Rather, this decline reflects the fact that these services usually involve little or no cost to the user.

Cultural spending on each of the NZFCS categories listed above is analysed in more detail in subsequent sections of this report. Spending on all cultural items by households and by individual purchasers is analysed in the following two sections.

Household Spending Profile

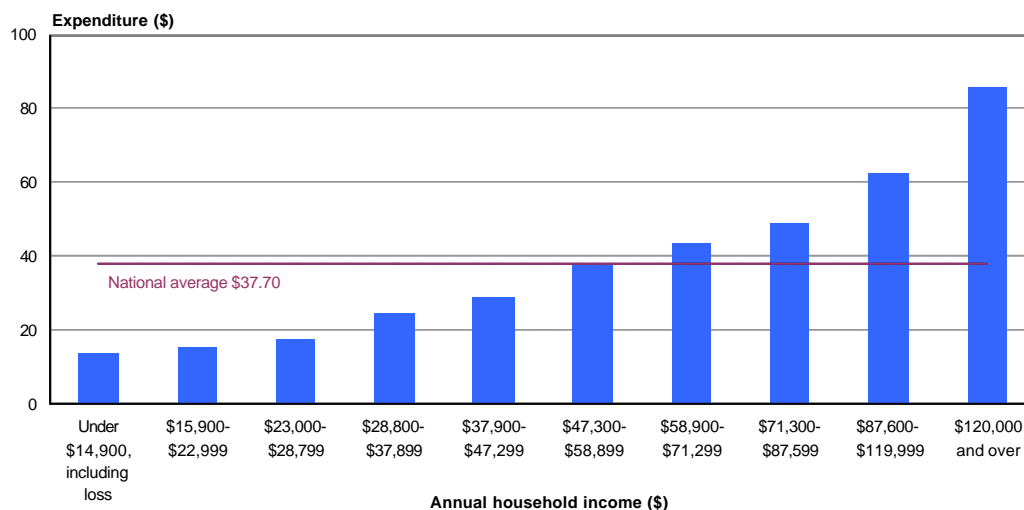
A total of 1,342,200 permanent and private households reported some spending on cultural goods and services in the HES for the year ended June 2004, up from 1,309,900 households reporting spending in 2000/01. The total number of private households in the HES eligible survey population for 2003/04 was 1,494,500 and 1,432,000 for 2000/01.

As can be seen from figure 3, expenditure on cultural goods and services varies with household income. During 2003/04, households in the highest income decile (\$120,000 and over) spent an average of \$85.90 per week on cultural goods and services while those in the lowest income decile (under \$15,900) spent an average of \$13.50 per week. Households with an annual gross income of less than \$58,900 spent less than the national weekly average of \$37.70 on culture. The association between household income and cultural spending is also apparent from the fact that the 10 percent of total households which make up the top income decile, accounted for 23 percent of the aggregate annual expenditure on cultural goods and services, while the 20 percent of households who make up the lowest two deciles accounted for about 8 percent of the expenditure.

Figure 3

Average Weekly Household Spending on Cultural Goods and Services

By annual household income decile
Year ended June 2004

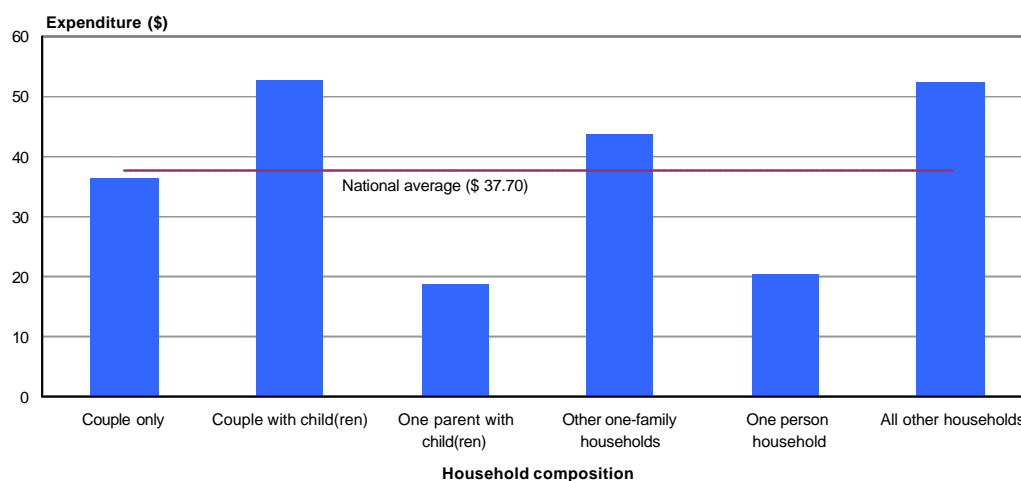


Household composition also has a bearing on expenditure on cultural goods (figure 4). During 2003/04, 'couple with children' households and 'other household types' (comprising two or more family households and other multi-person households) reported the highest average weekly expenditure on cultural goods and services (about \$52.50). 'Couple with children' households (28 percent of total households) accounted for about 42 percent of the total annual cultural expenditure. Generally speaking those living as couple only, one parent with child(ren) or one person households reported spending less than the national average weekly expenditure of \$37.70.

Figure 4

Average Weekly Household Spending on Cultural Goods and Services

By household composition
Year ended June 2004



In terms of household size, those containing three or more people spent more on cultural items than the national average of \$37.70 a week, while those containing only one or two people spent less than the national average. While three-person household reported an average weekly expenditure of \$44.40 on culture in 2003/04, this increased to \$54.00 for a four-person household but declined to \$52.50 for five-or-more-person household.

The HES provides a limited breakdown of household spending by regions. HES data collected from a sample of households across rural and urban areas throughout New Zealand is aggregated into four super regions:

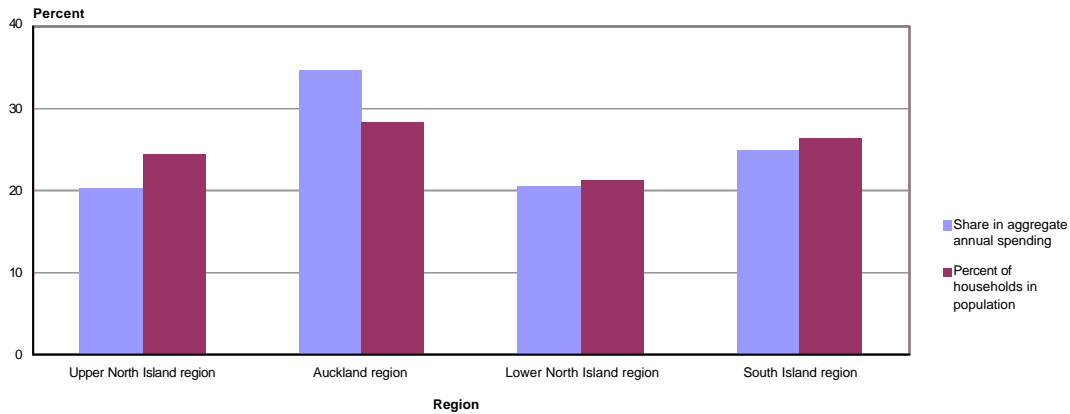
- Upper North Island: includes Northland, Waikato, Bay of Plenty and Hawkes Bay
- Auckland Regional Council
- Lower North Island: includes Taranaki, Manawatu/ Wanganui and Wellington
- South Island.

As figure 5 shows, households in the Auckland region reported the highest average weekly spending of \$46.50 on cultural items, followed by those in the Lower North Island (\$36.30) and the South Island (\$35.50). Households in the Upper North Island reported the lowest weekly spending on culture (\$31.20). The Auckland region (28 percent of all households) accounted for 35 percent of the total annual expenditure on cultural goods and services. There have been no significant changes in the share each region holds in total cultural expenditure between 2000/01 and 2003/04.

Figure 5

Regional Shares in Household Spending on Cultural Goods and Services

Year ended June 2004



Purchaser Spending Profile

While most of the HES data can be analysed at the household level, some spending recorded by adult respondents (15 years and over) in the individual fortnightly expenditure diaries can also be analysed at the purchaser level. Individual diaries only record single purchases of less than \$200. Analysis of diary-based spending recorded by purchasers has mostly been restricted to the total cultural goods and services category, because of the high sampling errors associated with some cultural categories and the need to maintain data reliability. Where such analysis can be made at the individual cultural item level, it has been covered in the relevant sections of this report.

Based on the 2003/04 HES data, \$1.6 billion of cultural spending (55 percent of total spending on cultural goods and services) is attributable to individual purchasers as recorded in their fortnightly diaries and from which purchaser characteristics can be analysed. The following sections analyse cultural spending by actual purchasers based on cultural spending recorded in HES 2003/04, which was only 55 percent of actual total cultural spending. Based on this information, the average weekly expenditure per adult on all cultural goods and services during the year ended June 2004 was \$10.10 – up from \$8.80 in the 2000/01 HES.

Sixty percent of the total aggregate annual expenditure reported on cultural goods and services during 2003/04 was by women. The average weekly expenditure per adult during 2003/04 was \$11.70 for women and \$8.40 for men, an increase from \$9.80 for women and \$7.90 for men in 2000/01.

As figure 6 shows, spending on cultural items gradually increased with age and peaked at about \$12 per week for those in the 35–54 age group. Weekly per person spending was the lowest at either end of the age spectrum. The lower spending by those in the 15–24 age group and 65 and over age group reflects the lower disposable income of students and retired people who make up large proportions of these age groups. In terms of aggregate annual expenditure, those in the 35–44 age

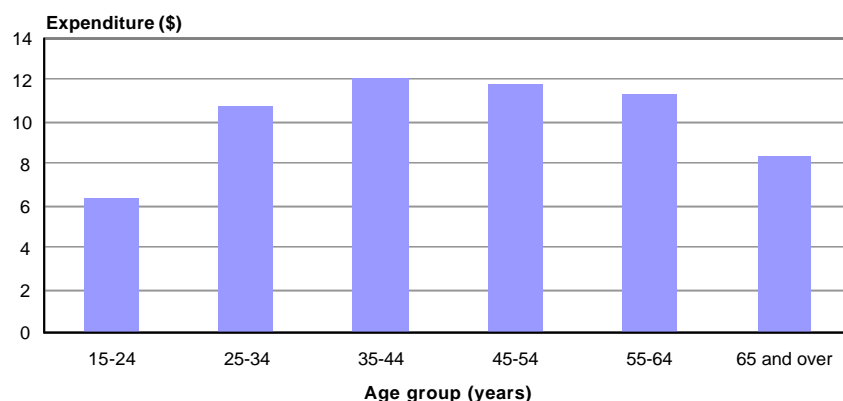
group accounted for about a quarter of the total spending on cultural goods and services.

Cultural spending is more common with older people (45 years and over), with about 64 percent reporting some form of cultural spending during the year, compared with 45 percent in the 15–24 years group.

Figure 6

Average Weekly Spending on Cultural Goods and Services

By age of purchaser
Year ended June 2004



Cultural spending was higher among those living in a partnered relationship (living with a legal spouse or partner) than those without partners (divorced, widowed, separated or never married). While those living in a partnered relationship spent an average of \$10.90 per week on cultural goods and services, those in the non-partnered category spent only \$8.80 during the year ended June 2004.

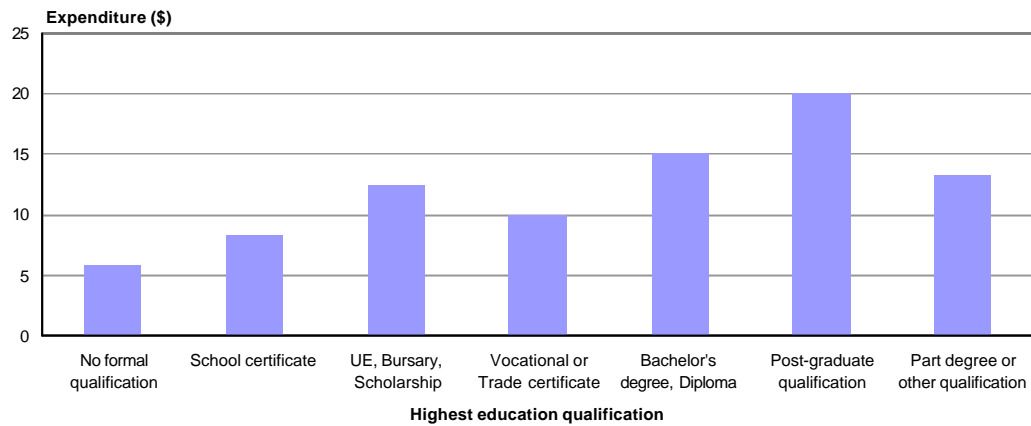
The purchaser's level of education plays a significant role in their cultural spending patterns, as reflected in figure 7. During the year ended June 2004, the average weekly expenditure per adult increased with qualification. Purchasers with a post-graduate qualification spent the highest (\$20.00 per week), while those with no formal qualification spent just \$5.80 per week. Although having the highest average weekly expenditure, due to their lower numbers in the population, post-graduates accounted for only about 9 percent of the total aggregate annual expenditure reported in the individuals' diaries.

Figure 7

Average Weekly Spending on Cultural Goods and Services

By highest education qualification of purchaser

Year ended June 2004

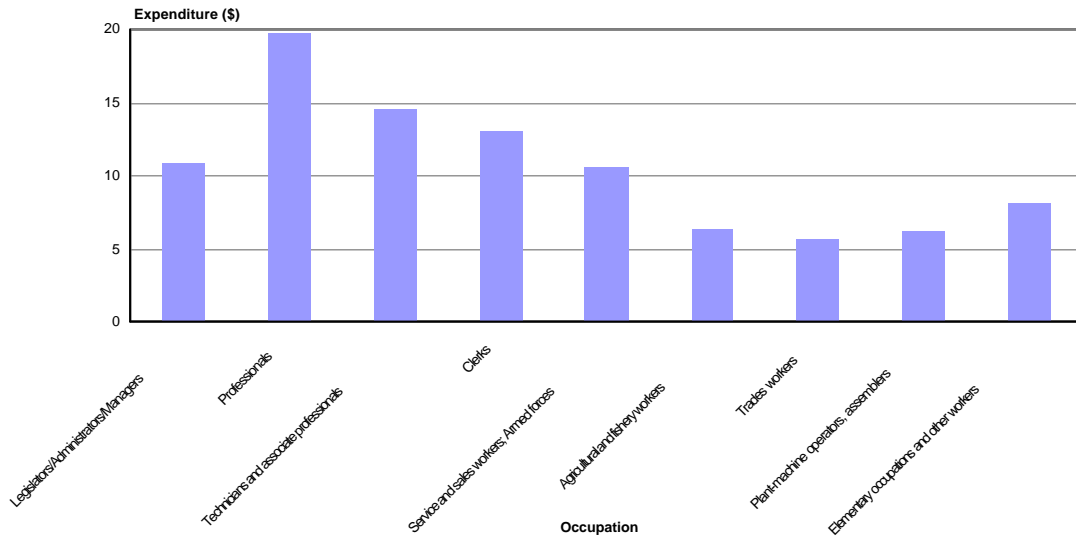


As can be seen in figure 8, occupation is also a factor influencing people's average weekly spending on cultural goods and services. During the year ended June 2004, professionals, who accounted for about 20 percent of the total aggregate annual spending reported in individual diaries, had the highest weekly spending of \$19.70, followed by technicians and associate professionals (\$14.50) and clerks (\$13.00). Trade workers, along with agriculture and fishery workers, machine operators and those in elementary occupations, were among those spending the least on cultural items. Professionals were also more likely to purchase cultural items, with 75 percent reporting some expenditure on cultural items compared with 46 percent of trade workers.

Figure 8

Average Weekly Spending on Cultural Goods and Services

By principal occupation of purchaser
Year ended June 2004

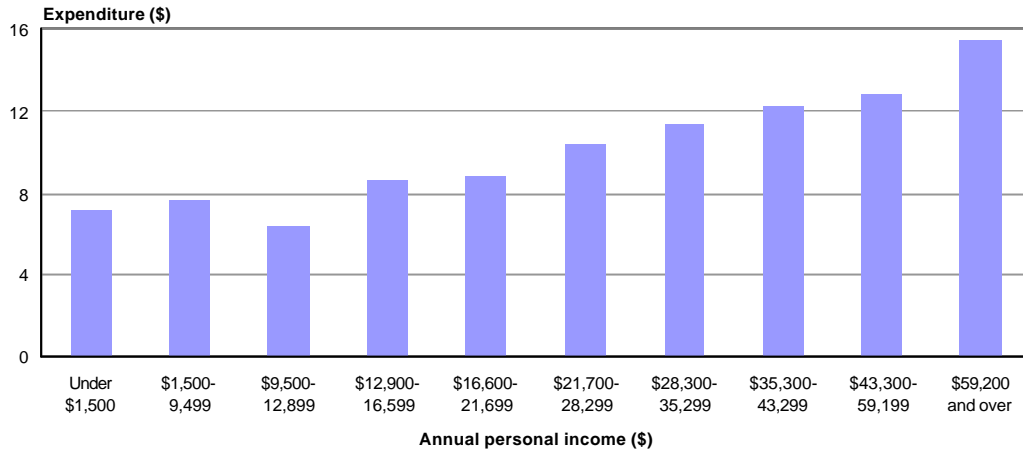


Personal income of the purchaser also has a bearing on cultural spending. Figure 9 shows that average weekly expenditure on cultural items generally increased with personal income, from \$7.10 for those in the lowest income decile to \$15.50 in the highest decile of \$59,200 and over. The labour force status of the purchaser also has a bearing on cultural item spending. Those who were employed accounted for about 73 percent of the total aggregate annual spending reported in the diaries, and were higher spenders (\$11.50 per week per adult) on cultural items than those unemployed (\$6.50) or not in the labour force (\$7.20). Average weekly spending by those reporting a 'retired' status was \$8.10 per week.

Figure 9

Average Weekly Spending on Cultural Goods and Services

By annual personal income of purchaser
Year ended June 2004

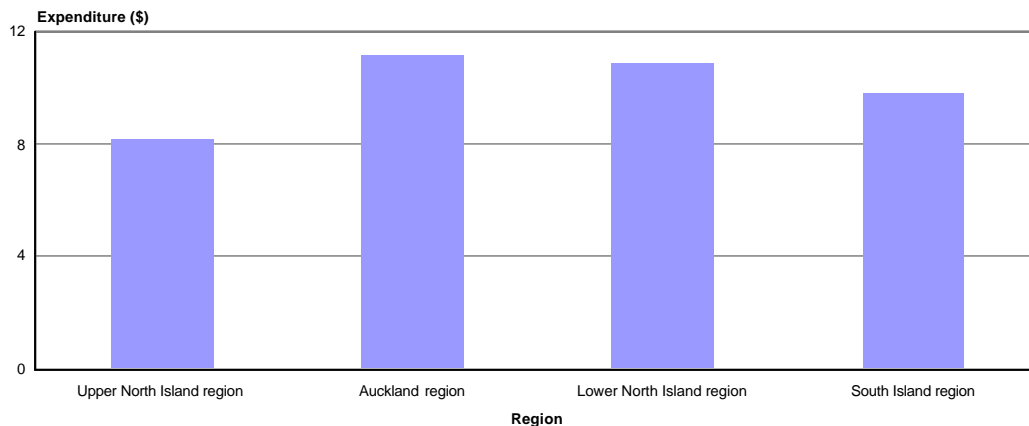


Regional analysis of purchasers of cultural goods and services (figure 10) shows that during the year ended June 2004, those in the Auckland and Lower North Island regions reported the highest average weekly expenditure per adult (about \$11) followed by those in the South Island (\$9.80). The Auckland region also had the highest share (about 35 percent) in the total aggregate annual expenditure incurred by actual purchasers of cultural goods and services. The South Island, despite having a low average weekly expenditure, had the highest percentage (66 percent) of adults reporting expenditure.

Figure 10

Average Weekly Spending on Cultural Goods and Services

By region of purchaser's domicile
Year ended June 2004



Details of spending by private households on each Framework category are discussed in the following sections.

Heritage

The heritage category in the *New Zealand Framework for Cultural Statistics 1995* includes the following five sub-categories:

- Heritage, which includes historic places
- Museum services, which includes art galleries and museums
- Archival services, which includes archives
- Heritage retailing
- Services to heritage.

There are only three items under the heritage category for which household spending was collected through the Household Economic Survey (HES). These included antique furniture, antiques other than furniture, and admission charges to art galleries, museums, and painting exhibitions.

The total combined spending on heritage items for 2003/04 was \$28 million. Since spending on heritage items has high sampling errors, these have not been considered for more in-depth analysis.

Library Services

The *New Zealand Framework for Cultural Statistics 1995* definition of library services includes services provided by the National Library of New Zealand; public libraries; special, research and technical libraries; and those in schools and tertiary education institutions.

Spending on total library services includes two categories: library membership and book hire (including casual library charges and library fines). Of these two categories, spending on book hire from libraries was higher. In 2000/01, spending on book hire contributed 63 percent of spending on total library services. This figure rose to 72 percent in 2003/04.

Unlike all other categories of cultural goods and services which recorded increased spending between the 2000/01 and 2003/04 HES, library services expenditure declined. This decline in the library services expenditure cannot be construed as a reflection of the usage and/or popularity of library services as most library services are free or involve minimal expenditure.

Total spending reported on library services during 2003/04 was \$8 million. Since spending on library services items has high sampling errors these have not been considered for more in-depth analysis.

Literature

The *New Zealand Framework for Cultural Statistics 1995* divides literature into six sub-categories: primary literary creation, book publishing, periodical publishing, newspaper and other publishing, distribution and retailing of books, and periodicals and services to literature. The framework sub-categories relevant to this report are

the distribution and retailing of books and periodicals which covers all types of publications, from newspapers and magazines to a wide range of books in the HES data.

During the year to June 2004, about 72 percent of all households in the country reported some form of expenditure on literature. While just over half (51 percent) of all New Zealand households reported spending on newspapers, only 38 percent reported spending on magazines during the same period. While the number of households reporting expenditure on newspapers declined (from 784,300 to 761,400) from June 2001 to June 2004, the numbers increased for magazines (from 527,000 to 562,900). Since book purchasing is a relatively infrequent activity, the probability of households buying books during the two-week survey period is relatively low. Consequently, the HES is unable to provide an accurate annual estimate of the proportion of households buying books. The decline in the number of households purchasing newspapers could be a result of the growing popularity of Internet news services, as more newspapers are now available on-line.

During the year ended June 2004, New Zealand households spent on average \$7.90 per week on literature, which equated to a total of \$12 million per week and aggregated to \$613 million for the year. This reflected an increase of over 10 percent when compared with 2000/01 spending. During the same period spending on books and newspapers increased by over 17 percent and 12 percent respectively.

Newspapers are the most frequently bought literature item, but as they are comparatively inexpensive, more money is spent on books and magazines. Total weekly household spending on newspapers amounted to \$2.9 million or a weekly average of \$1.90 per household for the year ended June 2004. Total weekly spending on magazines during the same period was \$3.1 million or an average of \$2.10 a week for each household. Books and other publications, being relatively more expensive, accounted for about half the total expenditure by households on literature. Total weekly spending on books and other publications during the year ended June 2004 was \$6 million or an average of \$3.90 a week per household.

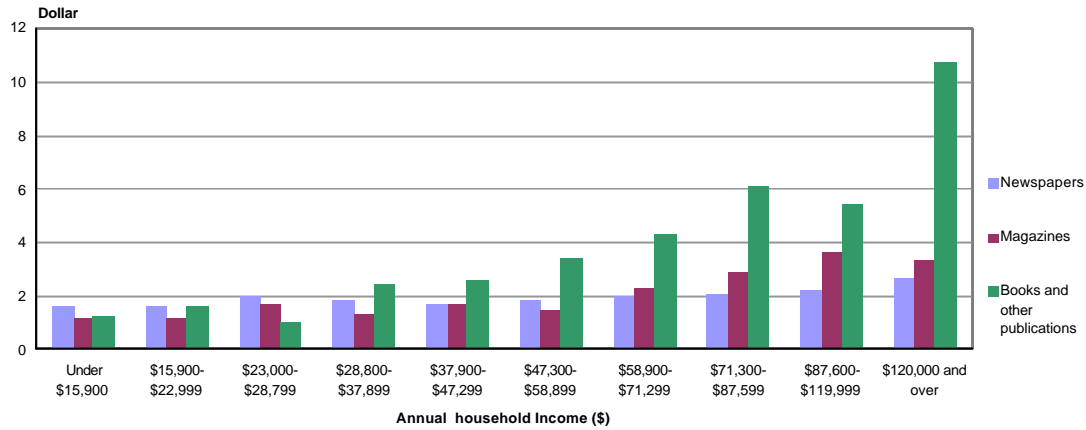
Household Spending Profile

Average weekly spending on literature varies markedly according to the characteristics of the household as well as individual purchasers. Income levels as well as household composition have a bearing on average weekly household spending on literature items. Although annual household income has a strong influence on household spending on literature items, the impact is more marked for spending on books and other publications than for newspapers and magazines (figure 11). While the average weekly expenditure on all literature items increased from \$3.90 per week for households in the lowest income decile (under \$15,900 per annum) to \$16.70 per week for those in the highest income decile (\$120,000 and over), spending on books and other publications registered the highest increase – from \$1.20 per week to \$10.70 per week in the same deciles. Average weekly expenditure on newspapers also increased, from \$1.60 to \$2.60 per week followed by magazines from \$1.10 to \$3.30 per week.

Figure 11

Average Weekly Household Spending on Literature

By household income decile
Year ended June 2004

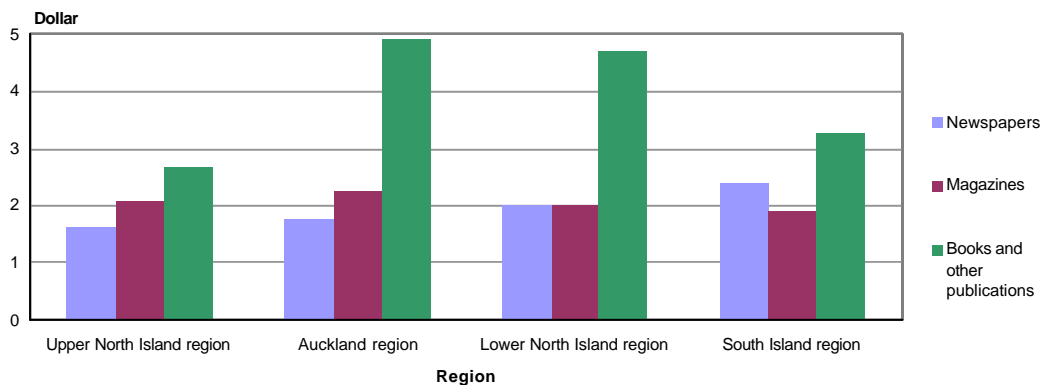


While there does not seem to be any significant variation between regions for expenditure on newspapers and magazines (figure 12), per household expenditure on books and other publications varied from a high of \$4.90 per week in Auckland to a low of \$2.70 in the Upper North Island region.

Figure 12

Average Weekly Household Spending on Literature

By regions
Year ended June 2004



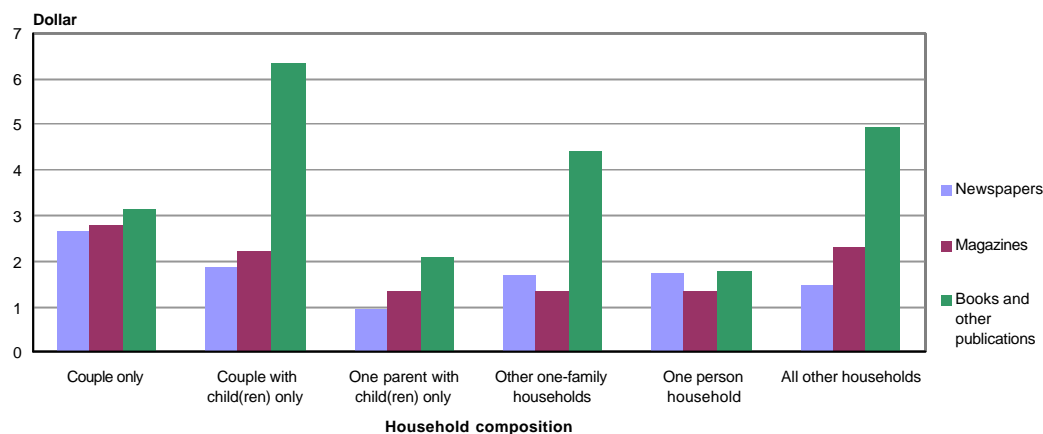
The higher expenditure on books in the Auckland and Lower North Island regions could be the result of higher average household income in these regions.

While there was little variation based on household composition in weekly expenditure on newspapers and magazines, spending on books was significantly higher for 'couple with children' and 'one family' households and the 'all other households' category (figure 13).

Figure 13

Average Weekly Household Spending on Literature

By household composition
Year ended June 2004



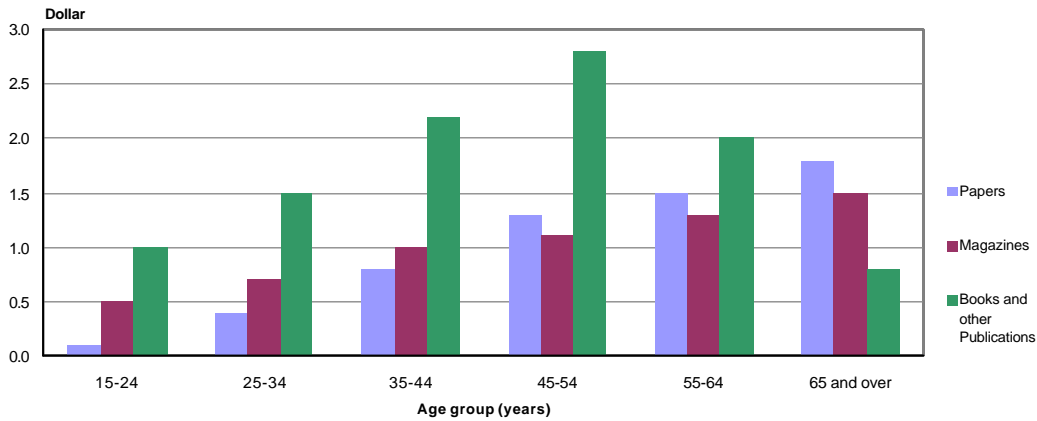
Purchaser spending profile

At the individual purchaser level, factors that have a bearing on spending patterns include age, gender, educational qualification and occupation of the purchaser. The average weekly expenditure on literature generally increased with age, with those in the 45–54 age group being the highest spenders at \$5.10 per adult per week. As shown in figure 14 below, those in the 65 years and over age group spent the most on newspapers (\$1.80) and magazines (\$1.50). Spending on books was highest in the 45–54 age group (\$2.80) but declined thereafter. In the 15–24 age group spending on books and other publications at \$1 per week was relatively high compared with spending on newspapers and magazines, perhaps because young people buy more educational books.

Figure 14

Average Weekly Spending on Literature

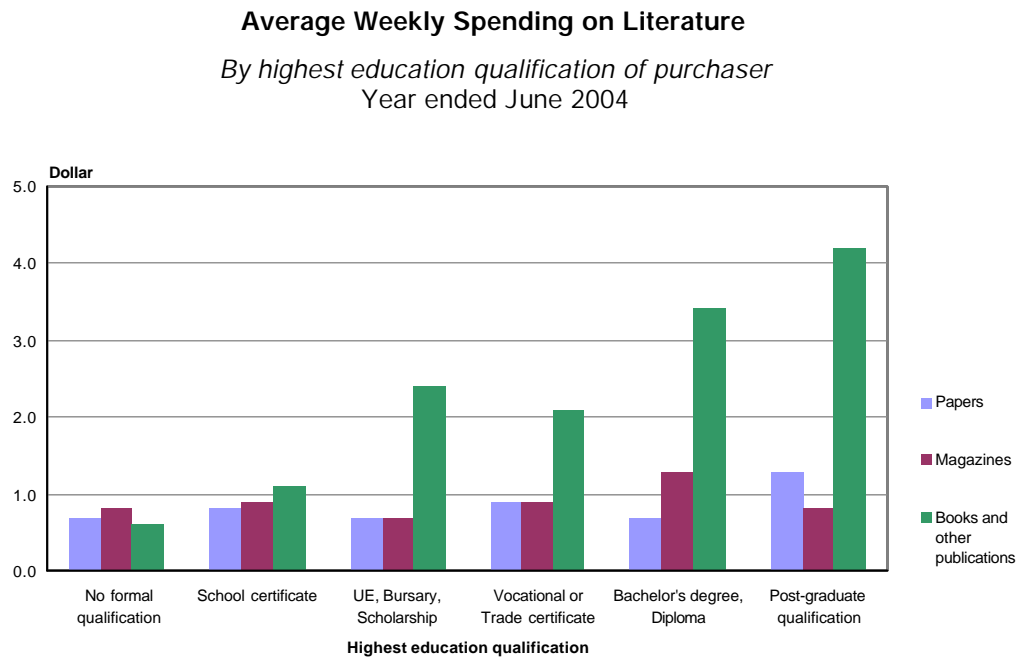
By age of purchaser
Year ended June 2004



During the year ended June 2004, men spent more than women on newspapers while women spent more than men on books and magazines. Average weekly spending reported by women was \$2.20 on books, \$1.20 on magazines and 90 cents on newspapers; men spent \$1.30 on books, 70 cents on magazines and \$1 on newspapers.

Higher educational qualifications are usually associated with higher spending on literature. For the year ended June 2004, adults whose highest qualification was School Certificate spent an average of \$2.80 per person on literature, compared with \$3.80 for those with UE, Bursary or Scholarship, and \$3.90 for those with a vocational or trade certificate. Adults with a Bachelor's degree or diploma spent \$5.40 per week, while those with post-graduate qualifications had the highest average weekly expenditure on literature at \$6.30. As shown in figure 15, adults with educational qualifications tended to spend more on books than newspapers and magazines. Those with post-graduate qualifications spent more on newspapers than those without. Given the low number of post-graduates in the adult population, the overall share of this group in the aggregate annual expenditure was only 8 percent.

Figure 15



Performing Arts and Music

The *New Zealand Framework for Cultural Statistics 1995* divides the broader performing arts category into three sub-categories:

- Performing arts, which includes theatrical performance, dance, opera and theatrical music; Māori performing arts; and the performing arts of other ethnic and cultural groups.
- Music, which includes primary music creation, popular music performance, classical music performance, and the recording, publishing and retailing of music.
- Services to the performing arts, which includes venues and other support services.

The Household Economic Survey (HES) has only one expenditure item relating to spending on the performing arts—"admission charges to theatre, ballet, concerts, plays". In the music category, the HES includes two categories of expenditure related to music: music retailing which includes expenditures on records, compact discs, stereo cassette tapes and hiring of recorded music; and musical instruments.

Total spending on performing arts during 2003/04 was \$87 million. Due to the relatively high sampling error attached to data on performing arts, further in-depth analysis has not been undertaken.

Music

The music category in the HES includes spending on music retailing and on musical instruments.

The number of New Zealand households reporting some form of expenditure on music in the HES increased from 174,400 in the year ended June 2001 to 204,400 in 2003/04. During this period the aggregate annual expenditure on music increased from \$158 million to \$189 million, reflecting an increase in the average per household weekly expenditure from \$2.10 in 2000/01 to \$2.40 in 2003/04.

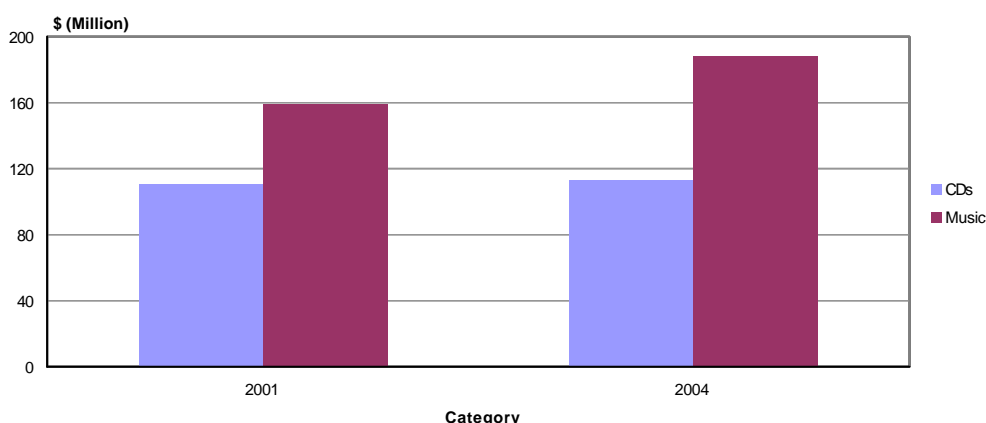
Spending on compact discs, at \$114 million, continued to be the single largest expenditure item under the music category in 2003/04. This accounted for about 60 percent of the total aggregate annual household expenditure on music, down from about 70 percent in 2000/01. Household spending data on musical instruments, records, stereo cassette tapes and hiring of recorded music have high sampling errors and hence were not considered for further analysis.

Figure 16 shows the change in the spending on compact discs relative to total spending on music.

Figure 16

Aggregated Annual Household Spending on CDs and Total Music

Year ended June 2001 and 2004



Based on the expenditure recorded by adult HES respondents in fortnightly diaries, it is apparent that spending on compact discs by individuals is influenced by factors such as age, marital status and educational qualification of the purchaser.

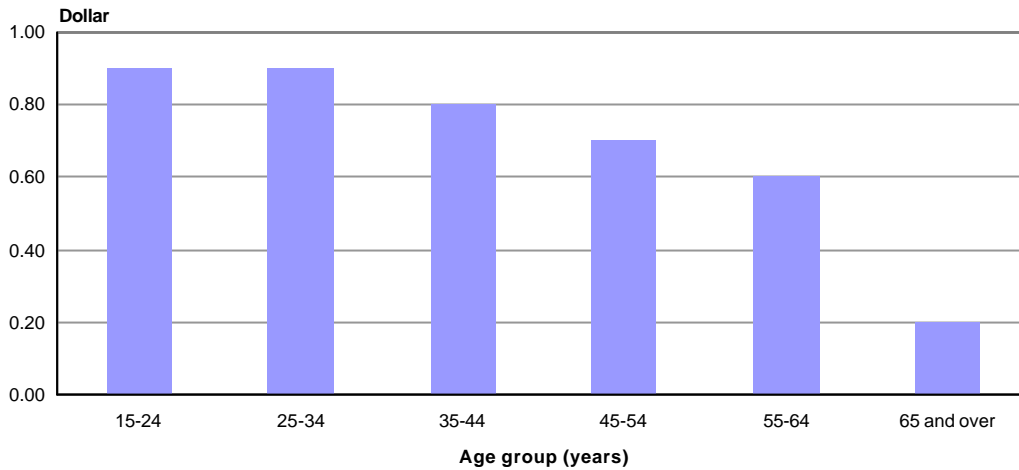
Men spent more than women on compact discs, accounting for 55 percent (\$63 million) of total spending on compact discs. Adults living in a partnered relationship spent \$60 million per annum – compared with \$53 million spent by those living without a partner.

Spending on compact discs varies markedly with the age group of the purchaser, with those in younger age groups spending more. Adults in the 65 years and over age group spend the least (figure 17).

Figure 17

Average Weekly Spending on Compact Discs

By age of purchaser
Year ended June 2004

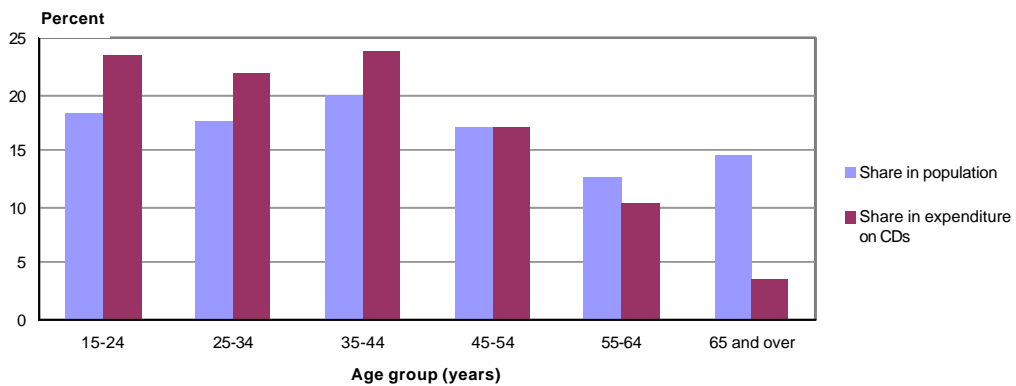


Younger people are over-represented in spending on compact discs while older people are under-represented. Figure 18 shows that purchasers of compact discs aged between 15 and 44 years account for a far larger proportion of total spending than their representation in the adult population. For example, in June 2004, although people aged 15–24 made up 18 percent of the adult population, they accounted for 24 percent of total spending on compact discs. In comparison, people aged 65 and over, constituting 15 percent of New Zealand’s adult population, spent only \$4 million on compact discs which accounted for just 3 percent of the total spending in this category.

Figure 18

Percentage Spending on Compact Discs

By age group of purchaser
Year ended June 2004



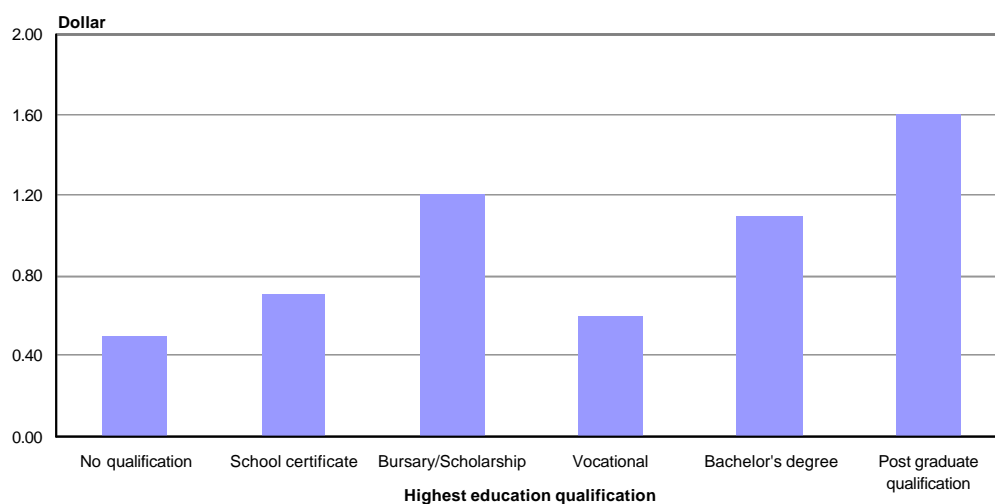
In terms of education, per adult spending on compact discs increased with higher level of education (figure 19). Those with post-graduate qualifications spent the most on compact discs – an average of \$1.60 per week, compared with \$1.20 spent by those with a bursary qualification and only 50 cents by those with no formal

qualification. Due to their smaller representation in the population, post-graduates accounted for only 10 percent of the total spending on compact discs despite having the highest per adult expenditure.

Figure 19

Average Weekly Spending on Compact Discs

By highest education qualification
Year ended June 2004



Visual Arts

The *New Zealand Framework for Cultural Statistics 1995* divides the visual arts category into two sub-categories – visual arts and design.

The visual arts sub-category includes primary visual arts creation, incorporating, for instance, the work of painters, sculptors and photographers and crafts people such as potters, textile artists, carvers and jewellers. It also includes retailing of visual arts, commercial and industrial photographic services and services to the visual arts, such as the sale of materials and objects essential to the creation of visual arts and crafts.

The design sub-category includes architectural services, landscape design, interior design, industrial design, fashion design, graphic design, advertising design, urban planning and design and services to the design sector.

The HES provides data for a wide range of expenses incurred under the visual arts category. These include expenditure on art and craft objects, materials and equipment to make such objects, and photographic equipment and associated fees. The design services under the HES includes architectural and landscaping services.

The total aggregate annual household spending on visual arts during 2003/04 was \$325 million.

Due to the high sampling error associated with each of the items under the visual arts category, further in-depth analysis has not been undertaken.

Film and Video

The New Zealand Framework for Cultural Statistics 1995 structures film and video activities along industrial lines. It includes production, distribution and exhibition of motion pictures, hire and sales of video, and providing support services to film and video. The Household Economic Survey (HES) recorded how much money was spent by New Zealand permanent and private households on hire and purchase of video cassette tapes¹ and DVD, as well as on entry to cinemas and cinema clubs.

Engaging with/watching film and video as a cultural activity seems to be gaining popularity in New Zealand, indicated by the increase in the number and proportion of households reporting expenditure under this category. The number of households reporting expenditure increased from 340,900 for the year ended June 2001 to 463,700 for 2003/04, while the proportion of households reporting expenditure under this category increased from 24 percent to 31 percent during the same period. The overall aggregate household expenditure on film and video jumped by 94 percent—from \$182 million in 2000/01 to \$353 million in 2003/04.

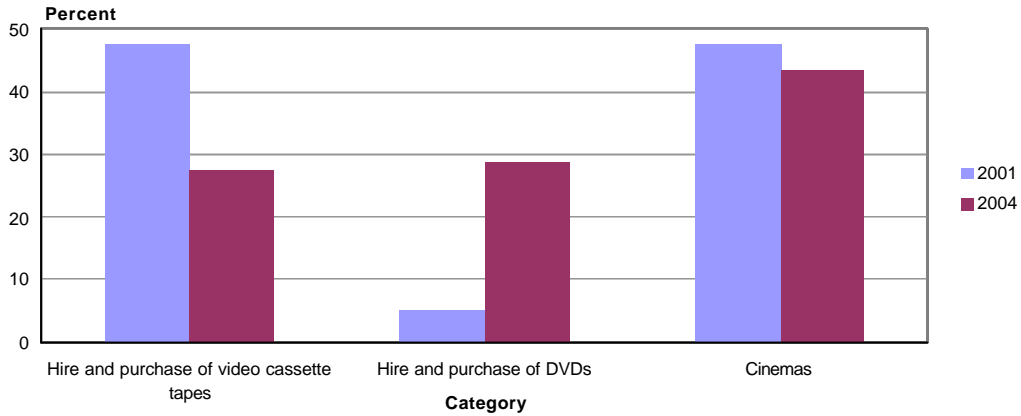
Within the category of film and video, DVDs are becoming more popular in New Zealand, indicated by an increase in the number of households reporting expenditure as well as higher spending on hire and purchase of DVDs in 2003/04 compared with 2000/01. Spending on DVDs increased over 11 times, from \$9 million in 2000/01 to \$102 million in 2003/04. As a proportion of total spending on the film and video category, spending on DVDs jumped from 5 percent in 2000/01 to 29 percent in 2003/04 (figure 20). This increased spending on DVDs has mainly been at the expense of spending on video cassette tapes and, to a lesser extent, cinema attendance. Although spending on hire and purchase of video cassette tapes increased marginally from \$86 million to \$97 million in 2003/04, the share of video cassette tapes in the total spending on film and video actually declined from 47 percent in 2000/01 to 27 percent in 2003/04.

¹ Purchase of video cassette tapes was inadvertently included in the category of Music in “Cultural Experiences Survey – 2003” and “Household Spending on Culture – 1996”

Figure 20

Proportion of Aggregate Annual Household Spending on Film and Video

By sub-categories
Year ended June 2001 and 2004



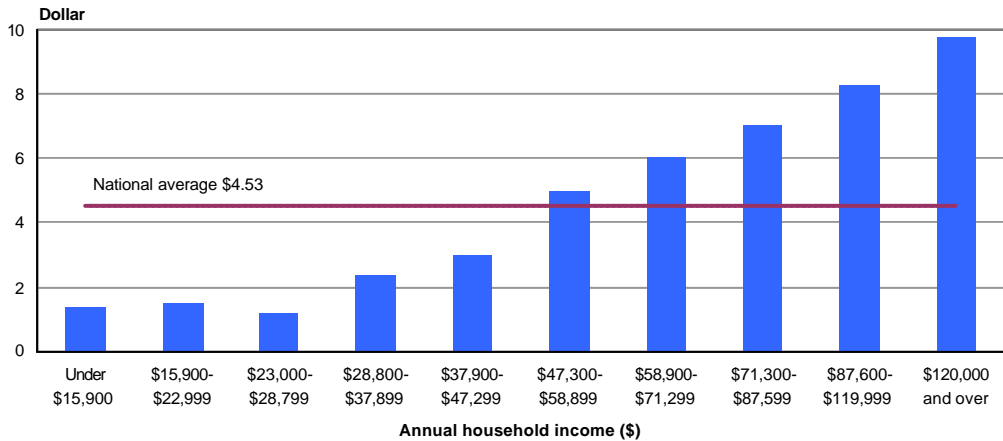
Cinema accounts for a large proportion of total spending in the film and video category. New Zealand households currently spend about \$3 million per week on cinema, which equates to an annual expenditure of \$154 million – up from \$87 million in 2000/01. Although spending on cinema increased in this period, its share in the film and video category declined marginally from 48 to 44 percent between 2000/01 and 2003/04.

Average weekly spending on film and videos varies markedly according to the characteristics of the household as well as the purchaser. Generally speaking, households with an annual income of \$47,300 or more spend more than the national average of \$4.50 per week on film and videos (figure 21).

Figure 21

Average Weekly Household Spending on Film and Video

By household income decile
Year ended June 2004

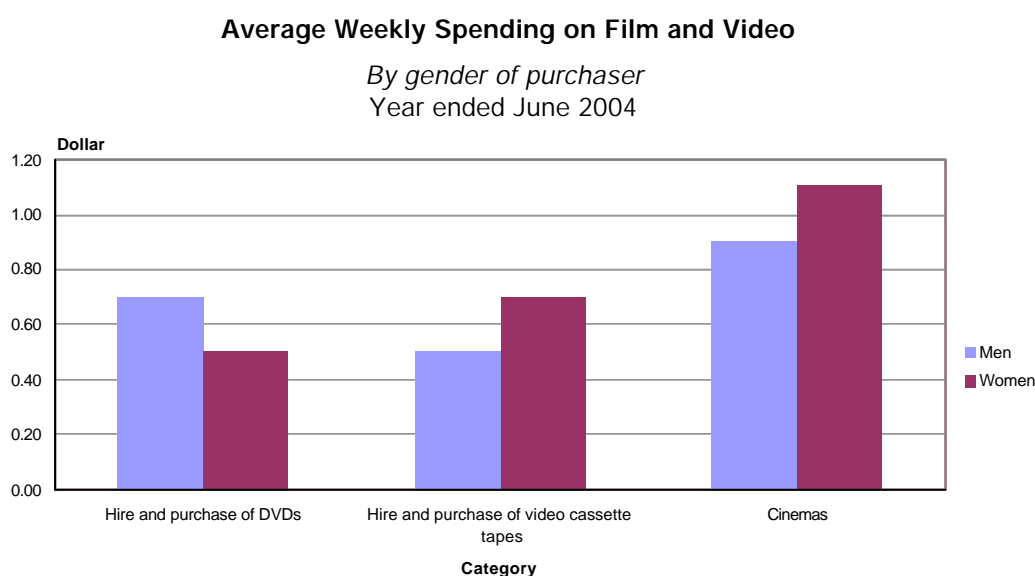


In 2003/04, the general household spending pattern shows that a couple with children spent more per week on film and video than those with no children or one-parent households or those living alone. In 2003/04, households that comprised a couple with children spent an average of \$6.70 per week on film and video compared with \$3.40 spent by one parent with children and couples without children and \$1.70 spent by those living alone. The highest spending on film and videos was reported by households identified as family living with other persons (\$8 per week), and multi-family households and individuals residing together in a flatting situation (\$7.90 per week).

The same trend was apparent in the HES data for the year ended June 2001. As aggregate annual household spending on film and video was smaller in 2000/01 than 2003/04, all the figures for different household types are lower. For example, in 2003/04 couple-only households spent an average of \$3.40 per week, but in 2000/01 spending per week on film and video was only \$2.10.

Women tend to spend more than men in the film and video category – \$2.30 per adult per week compared with \$2.00 by men. Although women tend to spend more than men on hire and purchase of video cassette tapes and cinemas, men reported higher average weekly spending on DVDs – 70 cents by men compared with 50 cents by women (figure 22).

Figure 22



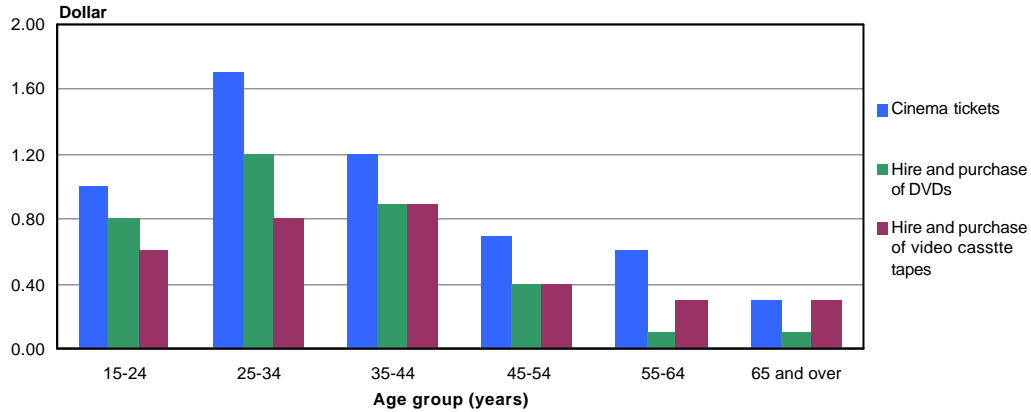
Marital status of the purchaser also has a bearing on expenditure on film and video, with those without a partner (includes separated, divorced, widowed or never married) spending more (\$2.40 per adult per week) than partnered people (\$2.10). This applies across all film and video categories—DVDs, video cassette tapes and cinemas.

As can be seen from figure 23, the age of purchaser also has a strong influence on spending on film and video. People in the 25–34 age group spend the most on film and video, averaging \$3.70 per adult per week (cinema \$1.70; DVDs \$1.20; video cassette tapes \$0.80). Spending gradually declines with age, with those 65 years and over spending only 60 cents per week. While those in the younger age groups (15–34 years) tend to spend more on DVDs than video cassette tapes, those in the 55 and over age groups spend more on video cassette tapes than DVDs.

Figure 23:

Average Weekly Spending on Film and Video

By age of purchaser
Year ended June 2004

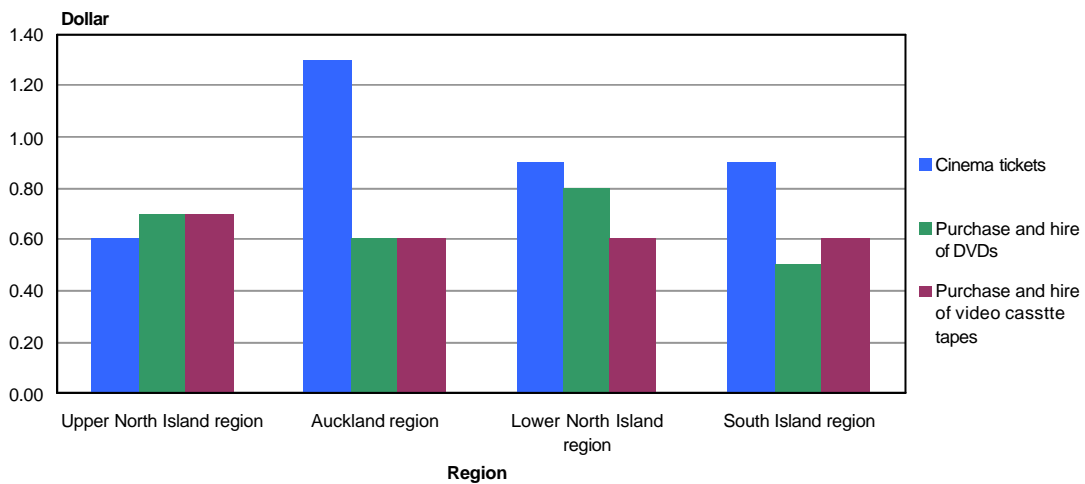


In the year ended June 2004, adults living in the Auckland region were the highest spenders on film and video (\$2.50 per week), followed by those in the Lower North Island (\$2.30). Adults living in the Upper North Island and the South Island reported a weekly expenditure of \$2.00 per person. Spending on cinema was higher than spending on DVDs and video cassettes in all regions except the Upper North Island. Although there does not seem to be much variation in spending on DVDs and video cassette tapes, adults in the Lower North Island area spent more on DVDs than they did on video cassettes and those in the South Island spent more on video cassette tapes than DVDs (figure 24).

Figure 24

Average Weekly Spending on Film and Video

By region of purchaser's domicile
Year ended June 2004



Broadcasting

The category of broadcasting as specified by the *New Zealand Framework for Cultural Statistics 1995* (NZFCS) includes all types of radio and television services including commercial and non-commercial services, community-based stations and subscriber and free-to-air channels. Though the Internet is part of the broadcasting category, the NZFCS does not refer to this service – perhaps because the Internet was still at a development stage when the NZFCS was prepared in 1995.

Broadcasting as covered by the HES encompasses diverse categories including audio and visual appliances (excludes all telephone sets), subscriptions, installation and modification charges for subscriber television as well as servicing charges and rentals for television and videos. In the case of audio and visual appliances, while it is accepted that not all items will be used to receive broadcasting signals or have this as their primary purpose (eg stereos), it has been included for the purposes of this analysis as it is difficult to disaggregate such items. Expenditure on Internet-related services, though recorded in the HES, have not been included in this report due to their omission from the NZFCS. Audio visual appliances and subscriptions to subscriber television are the major expenditure categories, accounting for over 95 percent of total broadcasting expenditure in the year ended June 2004 and 90 percent in the year ended June 2001.

The broadcasting sector witnessed some significant changes from 2000/01 to 2003/04. While the number of households reporting expenditure on the public broadcasting fee obviously fell with the abolition of the fee in 2000/01, there was a surge in the number of households purchasing audio-visual appliances and spending on subscriptions to subscriber television. Overall, households reporting expenditure on broadcasting fell – both in actual numbers (from 858,500 in 2000/01 to 757,600 in 2003/04), and in the percentage (from 60 percent in 2000/01 to 51 percent in 2003/04).

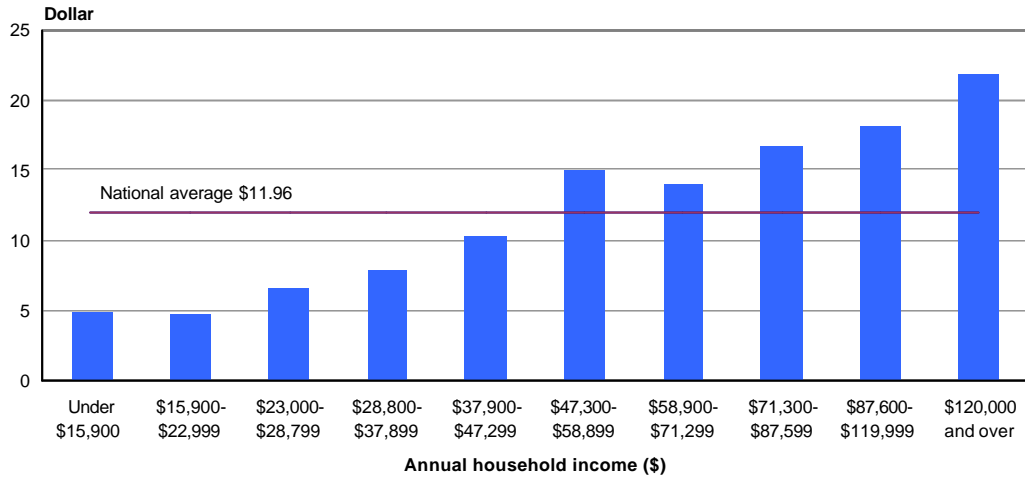
Broadcasting continued to be the single largest cultural spending category, accounting for 32 percent of the total cultural spending in 2003/04. Total annual household spending on broadcasting increased by 37 percent, from \$681 million in 2000/01 to \$932 million in 2003/04. Much of this increase came from higher spending on audio and visual appliances (television sets and DVD players) which accounted for 55 percent of total spending in the broadcasting category, and subscriptions to subscriber television which accounted for 41 percent.

Spending on broadcasting varies according to the characteristics of the households. Generally speaking, higher income levels are associated with higher spending on broadcasting (figure 25). This holds true for expenditure on audio visual appliances as well as subscriptions to subscriber television.

Figure 25

Average Weekly Household Spending on Broadcasting

By household income decile
Year ended June 2004

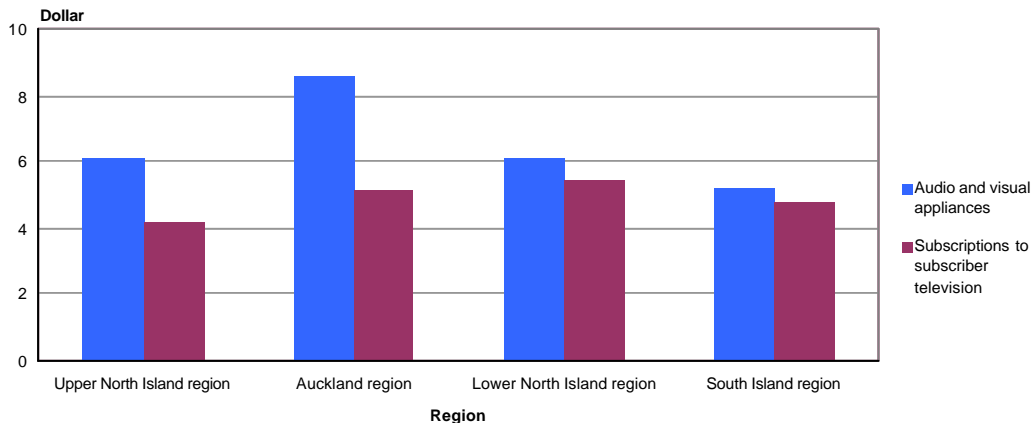


In terms of regional analysis, households in the Auckland region reported the highest weekly spending (\$14.08). There is not much variation between the weekly household spending in the Upper North Island (\$11.46), Lower North Island (\$11.94) and the South Island (\$10.18). The difference between Auckland and other regions is not so much in household spending on subscriptions to subscriber television but more in expenditure on audio visual appliances (figure 26).

Figure 26

Average Weekly Household Spending on Broadcasting

By region
Year ended June 2004



Community and Government Activities

The *New Zealand Framework for Cultural Statistics 1995* divides community and government activities into sub-categories covering religious activities, secular community activities, festivals, cultural education and training, and government administration related to culture.

Household spending on community and government activities, as recorded in the HES, can broadly be split into two sub-categories – cultural education and training, and community cultural activities. Cultural education and training includes household spending on music and singing lessons, dancing lessons, art courses and hobby classes, and speech and drama lessons. It also records spending on pre-school education expenses. Community cultural activities mainly include household spending in the form of donations to cultural societies, charitable, church or civic organisations and subscriptions to personal interest groups. It also includes the purchase of religious artifacts.

Cultural education and training

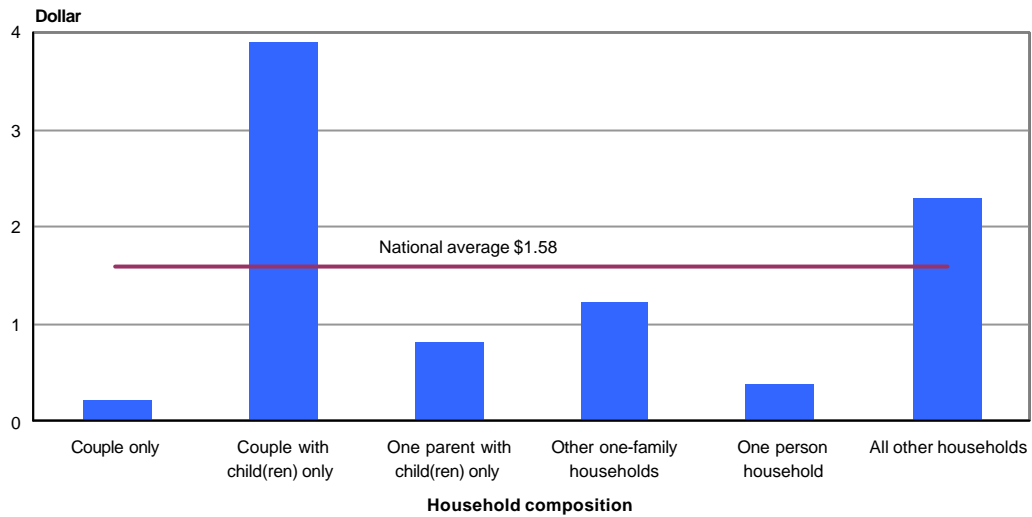
Total household spending on cultural education and training during the year ended June 2004 was \$2.4 million a week, equating to an aggregate annual household expenditure of \$123 million. Spending on music, dancing, art, speech and drama lessons as well as art courses and hobby classes accounted for about 60 percent of the household spending, with preschool expenses accounting for the balance.

The amount spent on cultural education and training varies according to household composition. By far the highest expenditure, at just under \$4 a week on average, was reported by households consisting of couples with children (figure 27)–presumably because of pre-school expenses and extra-curricular lessons for children. This was followed by those in the category of 'other households', which includes multi-family and other multi-person households (\$2.30). Households without children ie couple only and one person households reported the lowest expenditure on cultural education and training.

Figure 27

Average Weekly Household Spending on Cultural Education and Training

By household composition
Year ended June 2004



Community cultural activities

Household spending on community cultural activities relates primarily to donations or subscriptions to charitable, church or civic organisations. Such donations or subscriptions accounted for 94 percent of the total spending under this sub-category and totalled \$263 million in 2003/04.

As spending on these activities has high sampling error, in-depth analysis of this category is not possible.

Appendix A

Cultural items from New Zealand Classification of Cultural Activities included in the Household Economic Survey (HES)

Framework Category	HES Code	Description
Heritage	2335	Antique furniture
	5760	Antiques other than furniture
	6630	Art galleries, museums, painting exhibitions admission
Library Services	6600	Library subscriptions and donations
	6704	Casual library charges, book hire
Literature	5600	Papers
	5601	Magazines
	5602-5619	Books and other publications
Performing Arts	6625	Theatre, ballet, concerts plays admission
Music	5761	Records
	5762	Compact Discs
	5763	Stereo cassette tapes, tapes n.o.d.
	5794	Hire of stereo tapes, records and others
	5710-5719	Musical instruments
Visual Arts	1516	Design services
	2404	Wall decor (prints, paintings, etc)
	2406	Pottery furnishings
	2408-2411	Vases, ornaments
	2424	Picture framing
	2770	Cake decorations (non-edible)
	2836	Photographers' fees
	5700-5709	Magnifying and photographic equipment
	5751	Artists equipment
	5752	Handcraft equipment
	5776	Materials for pottery and ceramics
	5777	Needlework cloth
	5778	Handcraft materials
5779	Artist's materials	
6695	Handcraft services	
Film and Video	5764	Purchase of video cassette tapes
	5787	Purchase of DVD discs
	5793	Hire of video cassette tapes
	5798	Hire of DVD discs
	6624	Admission charges to cinemas, contribution to cinema clubs

Broadcasting	2130-2141	}	Audio-visual appliances (excluding telephones and accessories)
	2144-2149		
	2180		Public broadcasting fees
	2182-2184		Rental charges for television sets and video cassette recorders
	2186-2187		Service contracts for television sets and video cassette recorders
	2190		Credit costs for audio visual appliances
	2194		Servicing/repairs to audio-visual appliances
	6675		Subscription to subscriber television
6676		Installation and modification charges for subscriber television	

Community and Government Activities

5901	Religious artifacts
6601	Record, tape, video club subscription
6606	Community service club subscription
6609	Garden, floral society subscription
6610	Cultural society subscription
6616	Charitable, church or civic organisation subscription or donation
6617	Personal interest group subscription

Community Cultural Activities

Cultural Education and Training

6220	Music and singing lessons tuition fees
6221	Dancing lessons tuition fees
6224	Art courses, hobby classes tuition fees
6228	Speech/drama lessons tuition fees
6702-6703	Preschool expenses

Appendix B

Household Economic Survey – 2003/04: Technical Notes

The New Zealand Household Economic Survey (HES) was conducted annually by Statistics New Zealand until the year ended March 1998; since the year ended June 2001, it has been moved to a three-year cycle. The HES provides a comprehensive range of statistics relating to income, expenditure and demographics of individuals and households.

Definitions

Expenditure: All references to housing and total expenditure in this release refer to expenditure without net capital outlay and related expenses. All expenditure statistics referred to are net of sales and trade-ins and include Goods and Services Tax (GST).

Income: All references to income in this release refer to before-tax (gross) regular and recurring income from all sources.

Adult: Includes those aged 15 years and over.

Survey scope

The target population for the HES is New Zealand resident, private households living in permanent private dwellings. This means that the population does not include overseas visitors who expect to be resident in New Zealand for less than 12 months; people living in institutions or in establishments such as boarding houses, hotels, motels, and hostels; homes for the elderly; hospitals; or psychiatric institutions. Inmates of penal institutions; members of the permanent armed forces; members of the non-New Zealand armed forces; and overseas diplomats are not included. However, children at boarding schools are accounted for by including expenditure on behalf of those children in the record-keeping of the parent or guardian.

For survey purposes, a 'household' comprises a group of people who share a private dwelling and normally spend four or more nights a week in the household. They must share consumption of food, or contribute some portion of income towards the provision of essentials for living as a group.

Survey period

The survey was carried out over the period 1 July 2003 to 30 June 2004. Expenditure data was collected by the following methods:

- 12-month recall (for single payments of \$200 or more)
- latest payment (for regular commitments such as electricity, telephone, rates, rent, insurance and superannuation)
- 14-day diary keeping.

The expenditure data collected by the diary covers a one-year period (from 1 July 2003 for households interviewed in that month, to 30 June 2004 for those interviewed then). Expenditure data collected by recall in the Expenditure Questionnaire covers a two-year period (one year back from 1 July 2003 for households interviewed in that month, through to 30 June 2004 for households interviewed then). Reported expenditure has not been adjusted for the effects of that difference in coverage.

For information on income, each household member aged 15 years and over was asked about their income in the year prior to their interview date. As a result income data covers a two-year period depending on the month each household was interviewed.

Under reporting of expenditure

For some items of expenditure, the total annual expenditure for all private households is less than that reported from other data sources. The main reasons for this are:

- Expenditure by residents of non-private households or by those ineligible for the survey (for example, overseas visitors) is excluded from this survey.
- Respondents to the survey forget or omit some types of purchases. This may include such items as cigarettes, alcoholic drinks, confectionery, newspapers and public transport fares.
- Expenditure by children aged under 15 is not recorded in the survey.
- There is a bias associated with non-response that affects some statistics.

No adjustments were made to the data to compensate for any under-reporting. Items for which under-reporting occurs in the HES are generally consistent with items that are under-reported in similar overseas surveys.

Reliability of survey estimates

The HES sample comprises 2,854 private households, sampled on a statistically representative basis from rural and urban areas throughout New

Zealand. Information is obtained for each member of a sampled household that falls within the scope of the survey and meets survey coverage rules.

Two types of error are possible in estimates based on a sample survey: sampling error and non-sampling error. Sampling error can be measured, and quantifies the variability that occurs by chance because a sample rather than an entire population is surveyed. Relative sampling errors are calculated for average weekly expenditure and aggregate annual expenditure.

The non-sampling errors include those arising from biases in the patterns of response and non-response, inaccuracies in reporting by respondents, and errors in the recording and coding of data. Statistics New Zealand endeavours to minimise the impact of these errors through the application of best practice survey methods and the monitoring of known indicators (e.g. non-response). The overall response rate was 73 percent for the 2003/04 year.

Appendix C

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