

Embargoed until 10:45am – 30 November 2007

Household Economic Survey: Year ended 30 June 2007

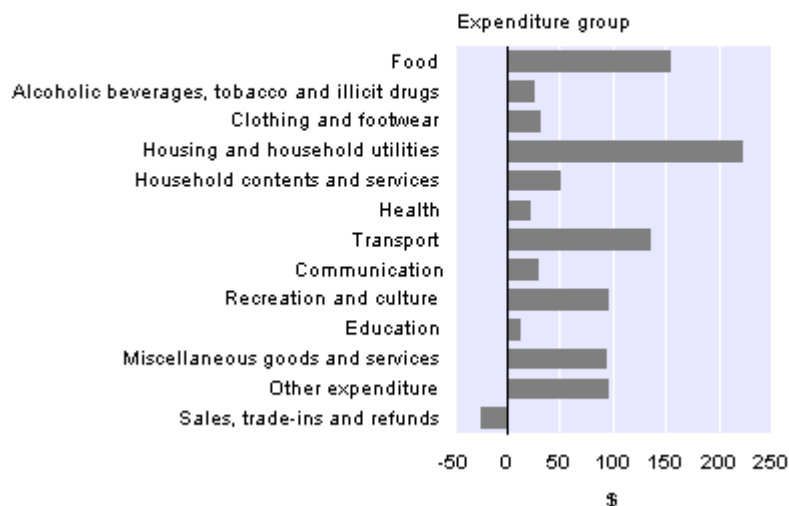
Highlights

- Average weekly household net expenditure was \$956 in 2006/07.
- The three largest components of total household expenditure were housing and household utilities (23 percent), food (16 percent) and transport (14 percent).
- Households in Wellington region had the highest expenditure on recreation and culture (\$120).
- Average annual household income was \$67,973 in 2006/07, up 10.2 percent from 2003/04.
- Seventy-five percent of all households were satisfied or very satisfied with their material standard of living.
- One-fifth of all households had more than one type of computer (desktop, laptop or hand-held).

Average Weekly Household Expenditure

By expenditure group

Year ended 30 June 2007



Geoff Bascand
Government Statistician

30 November 2007
ISSN 1178-0479

There is a companion Media Release published – [Household Economic Survey: Year ended 30 June 2007](#).

Commentary

Introduction

Changes to the survey

Between 2003 and 2006, the Household Economic Survey (HES) underwent significant redevelopment, with major changes to the collection methodology and classifications used. The key changes were:

- The survey has moved from paper-based collection to Computer Assisted Interviewing (CAI).
- The population weights are now based on 2006 Census data.
- The Economic Living Standard Index (short-form version) questionnaire has been included.
- The HES 2006/07 uses new expenditure and storetype classifications.

The new expenditure classification was developed to meet the need for a common household consumption classification that is more aligned with the Consumers Price Index, National Accounts and international standards. Consequently, there is no expenditure time series in this release, as 2006/07 expenditure data is not directly comparable to previous years.

More information on these and other changes are detailed in the *Changes to the Household Economic Survey* paper on the [Household Economic Survey](#) web page, and also in the Technical notes.

Notes for this release

The information in this release is for the year ended 30 June 2007. The Household Economic Survey primarily collects information on household expenditure and income.

When interpreting information from this survey, all factors impacting on the data must be considered. Factors influencing a household's expenditure or income include household size, household composition, geographic location, and employment-related factors.

Expenditure figures refer to gross expenditure unless otherwise specified. All income figures refer to gross (before tax) income.

The five broad regions reported on are based on regional council areas. They are the Auckland, Wellington and Canterbury regional council areas, Rest of the North Island, and Rest of the South Island.

Figures in this release from 2003/04 have been revised using updated population weights. This is indicated by an R in the tables.

More information including definitions can be found in the Technical notes.

Household expenditure

The average weekly household net expenditure was \$956 in 2006/07.

The housing and household utilities group was the largest component of household spending, making up 23 percent of total household net expenditure. This group comprises expenditure on rent, mortgage principal repayments, property maintenance and improvements, property rates, and household energy. Food and transport were the next largest expenditure groups, at 16 percent and 14 percent respectively.

Expenditure group	Average weekly household expenditure (\$)	Proportion of total net expenditure (%)
Food	156	16
Alcoholic beverages, tobacco and illicit drugs	27	3
Clothing and footwear	33	3
Housing and household utilities	224	23
Household contents and services	51	5
Health	23	2
Transport	136	14
Communication	31	3
Recreation and culture	97	10
Education	13	1
Miscellaneous goods and services	94	10
Other expenditure	97	10
Total gross expenditure	980	
Sales, trade-ins and refunds	-24	-3
Total net expenditure	956	

Note: All figures in this table are independently rounded.

Expenditure by region

Of the five regions, the Wellington region had the highest average weekly net expenditure, at \$1,103. As with the national figures, spending on housing and household utilities (\$298) was the largest component of household expenditure in this region, followed by food at \$171. The proportion of spending on housing and household utilities was 27 percent, slightly higher than the national proportion of 23 percent. For the remaining regions, average weekly net expenditure was as follows: Auckland \$1,046, Canterbury \$986, Rest of the South Island \$940, and Rest of the North Island \$818.

Average Weekly Household Expenditure

By region

Year ended 30 June 2007



Housing-related expenditure

Housing and household utilities expenditure group

Housing and household utilities was the largest component of total household net expenditure. Average weekly expenditure on this group was \$224 in 2006/07. This group comprises expenditure on rent, mortgage principal repayments, property maintenance and improvements, property rates, and household energy.

The categories contributing most to expenditure on the housing and household utilities group were rent at 30 percent and home ownership at 28 percent. The home ownership category consists of mortgage principal repayments and property improvements (materials and services).

The third largest contributor was household energy at 16 percent. On average, households spent \$36 per week on household energy. This consisted of expenditure on electricity (\$31), gas (\$4) and other domestic fuel (\$1).

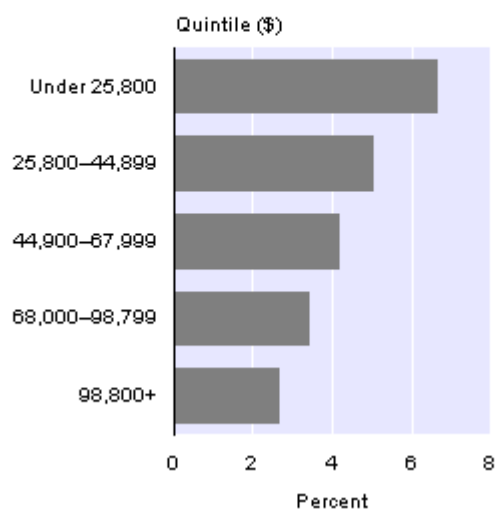
Expenditure on household energy as a proportion of total net expenditure tends to decrease as income increases. Household energy costs for households in the bottom quintile made up 7 percent of their total expenditure, while for households in the top quintile it was only 3 percent.

Income quintiles divide the population into five groups by ranking households in order of the amount of income received. In 2006/07, the top quintile (quintile 5) comprised those with annual household incomes of \$98,800 or over, while those in the bottom quintile (quintile 1) received annual household incomes of less than \$25,800.

Household Energy as a Proportion of Total Net Expenditure

By annual household income quintile

Year ended 30 June 2007



Home ownership costs

In 2006/07, 70 percent of households either owned the dwelling they lived in or held that dwelling in a family trust, with 57 percent of households owning the dwelling they lived in, and 12 percent of households holding the dwelling in a family trust. These proportions are very similar to those from the 2006 census where 55 percent of households owned the dwelling they lived in and 12 percent held the dwelling in a family trust.

Thirty-two percent of households own their own house with a mortgage. These households spent an average of \$271 per week on mortgage payments in 2006/07. This made up 22 percent of their total net expenditure. Mortgage payments include mortgage-interest payments, mortgage-principal repayments and interest on revolving credit mortgage/loans.

Renting costs

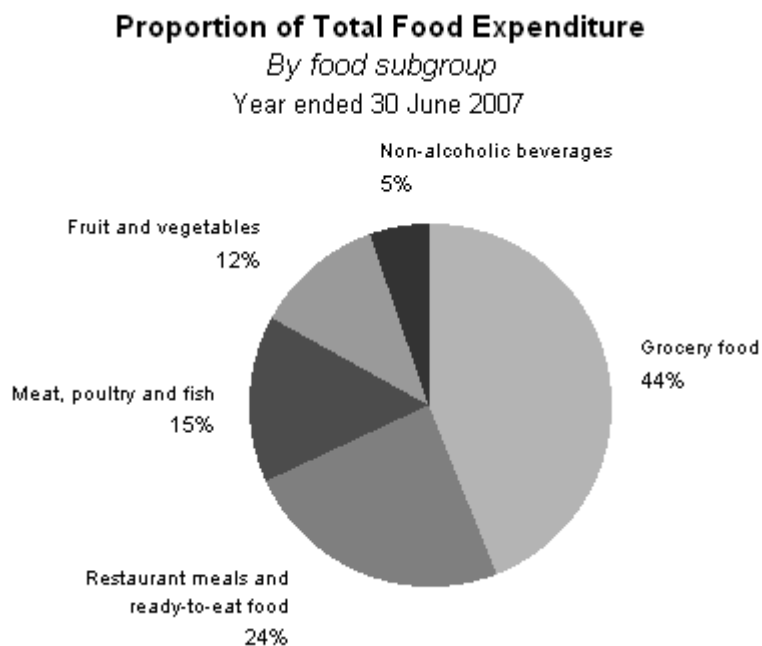
In 2006/07, 29 percent of all households did not own the dwelling they lived in and made rent payments. For these households, average weekly household expenditure on rent was \$220 per week. This accounted for 28 percent of their total net expenditure. Rent payments include rent paid for primary property, rent paid for other properties, and other payments connected with renting – ie bonds, ground rent and easements.

Housing costs by region

Households in the Auckland region spent on average \$156 per week, or 15 percent of their total net expenditure, on housing costs. This was the highest of the five regions. The Rest of the South Island region had the lowest proportion with 12 percent. Housing costs include rent payments, mortgage principal repayments, mortgage interest payments, rates payments, and other local authority payments.

Food and alcohol expenditure

The average weekly household expenditure on food in 2006/07 was \$156.



Grocery food made up 44 percent of expenditure on food. On average, households spent \$68 a week on grocery food. This food group comprises: bread and cereals, milk, cheese and eggs, oils and fats, food additives and condiments, confectionery, nuts and snacks, and other grocery food. The other grocery food category made up the largest proportion of total grocery food expenditure at 37 percent. It should be noted that within this category, food items that were not sufficiently described have been classified to residual codes. These codes comprised the majority of expenditure in this category.

Restaurant meals and ready-to-eat food was the next largest component, making up 24 percent of total food expenditure (\$38 per week).

Average weekly expenditure on alcoholic beverages was \$19 in 2006/07. Fifty-five percent of households reported expenditure on alcohol. It should be noted that expenditure on alcohol is known to be under-reported in this survey compared with other data sources.

In general, average weekly food expenditure increased as annual household income increased. Households in the top income decile spent on average \$285 per week on food, while households in the bottom income decile spent \$68 per week.

Income deciles divide the population into ten groups by ranking households in order of the amount of income received. In 2006/07, the top decile (decile 10) comprised those with annual household incomes of \$131,300 or over, while those in the bottom decile (decile 1) received annual household incomes of less than \$17,600.

Transport expenditure

Households spent an average of \$136 per week on expenses related to transport in 2006/07, making this the third largest household expenditure group. The largest contribution was private transport supplies and services, at \$67 per week. Expenditure on petrol made up over half of this category, with an average of \$38 per week.

The next largest contributor to the transport group was the purchase of vehicles. Just over one-third of expenditure on transport was on the purchase of vehicles (\$48), with \$35 of this amount on the purchase of second-hand motor cars.

On average, households in the Auckland region spent the most on transport per week (\$149). The region with the least expenditure on transport was Wellington (\$126). However, the Wellington region had the highest proportion of households reporting expenditure on public transport (28 percent). Public transport comprises short distance bus fares and urban train fares.

Region	Proportion of households reporting expenditure	
	Vehicle fuel (%)	Public transport (%)
Auckland	82	12
Wellington	73	28
Rest of the North Island	76	4
Canterbury	79	13
Rest of the South Island	75	5
Total New Zealand	78	11

Note: Vehicle fuel includes petrol and diesel. Public transport includes short distance bus fares and urban train fares.

Expenditure on recreation and culture

The average weekly expenditure on recreation and culture was \$97. This expenditure group covers a wide range of items and services, including purchases of audio visual equipment, subscriber television charges, purchases of pets and pet-related products, as well as admission charges related to cultural activities or events. Subscriber television charges was the largest single item within the recreation and culture group at \$6.

Households in the Wellington region spent, on average, the most per week on recreation and culture at \$120. This made up 11 percent of their total net expenditure. The Rest of the South Island region also spent 11 percent of their total net expenditure on recreation and culture (\$106). The Auckland region had the lowest proportion of expenditure on recreation and culture at 9 percent (\$95).

Forty-three percent of all households had expenditure on pets and pet-related products (including pet food).

Technology and communication costs

Technology items

Nearly all households have a television. In 2006/07, 99 percent of households had a television, up from 96 percent in 1995/96.

The percentage of households with a VCR dropped from 83 percent in 2003/04 to 76 percent in 2006/07. However, this decrease may be explained by the fact that in 2006/07, 77 percent of households had a DVD player.

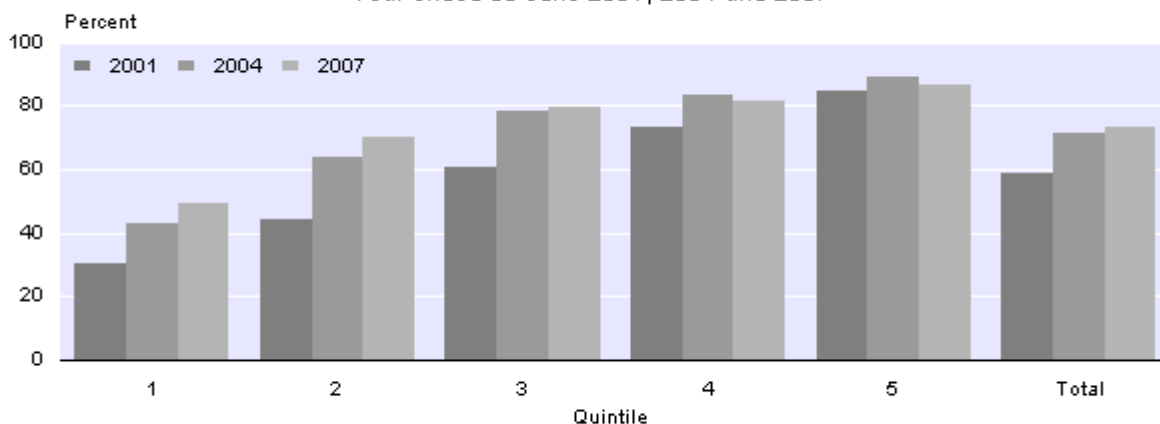
Sixty-five percent of households had a desktop computer and 27 percent had a laptop computer, while 4 percent had a hand-held computer. One-fifth of all households had more than one of these types of computer.

Household access to cellphones has continued to increase, with 73 percent of households having access in 2006/07 compared with 59 percent in 2000/01. The increase was particularly noticeable in the bottom two income quintiles. In 2006/07, nearly half (49 percent) the households in quintile 1 had access to a cellphone, compared with just under a third (30 percent) in 2000/01. For quintile 2, the increase was even more marked, with the proportion increasing to 70 percent in 2006/07 from 44 percent in 2000/01.

Proportion of Households with Cellphone Access

By annual household income quintile

Year ended 30 June 2001, 2004 and 2007



1 = Lowest 20 percent of household income.

5 = Highest 20 percent of household income.

Communication costs

Households spent an average of \$31 per week on communication. The major component of this group was telecommunication services (such as telephone call charges, line rental, internet charges, and telecommunication packages), which made up 93 percent of total communication expenditure.

The largest components of expenditure on telecommunication services were home line telephone call charges, including toll calls (20 percent), and combined home line rental and other charges (16 percent).

Sixteen percent of households had expenditure on telecommunication packages. This is where combinations of telephone, cellphone, internet and subscriber television are packaged together.

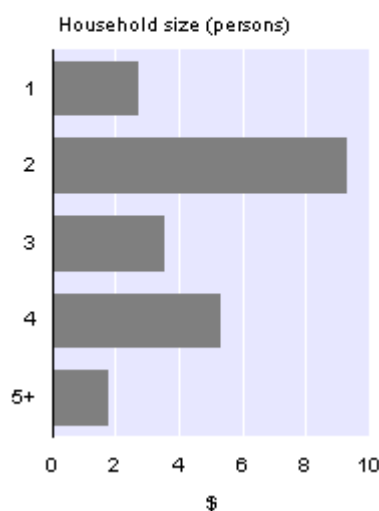
Health expenditure

Expenditure on health made up 2 percent of total household net expenditure, with households spending \$23 per week on average. Almost two-thirds of this spending was on outpatient services (\$15). Outpatient services includes non-hospital related services such as fees for specialists, general practitioners (GPs), opticians, and dentists. Spending on GP fees and dental fees contributed the most to this category at \$3 and \$4 per week respectively.

Average Weekly Household Expenditure on Health

By household size

Year ended 30 June 2007



Expenditure on health was highest for households comprising two people. These households spent on average \$9 per week. In contrast, one-person households spent \$3 per week.

Income

Household income

The average annual income from regular sources for New Zealand households was \$67,973 in 2006/07. This was an increase of 10.2 percent from 2003/04, driven primarily by wages and salaries (up 17.7 percent), investment income (up 17.4 percent) and other government benefits (up 5.7 percent).

The median annual household income for 2006/07 was \$55,976, up 14.3 percent from the 2003/04 figure of \$48,835. The median figure means half of the households receive more and half receive less than the stated amount. Medians tend to be less influenced by extreme high or extreme low amounts than averages.

Household income source	Average annual household income (\$)		Percentage change (%)
	2003/04	2006/07	
Wages and salaries	42,685 R	50,235	17.7
Self-employment	5,581 R	4,213	-24.5
Investments	2,605 R	3,057	17.4
Private superannuation	587 R	617	5.1
New Zealand Superannuation and war pensions	3,906 R	3,970	1.6
Government benefits	3,539 R	3,740	5.7
Other sources	2,764 R	2,141	-22.6
Total regular income	61,668 R	67,973	10.2

Symbol: R revised. The figures have been revised using updated population weights.

Wages and salaries continued to make up the largest proportion of total household income at 74 percent in 2006/07, up from 69 percent in 2003/04.

The average annual household income from self-employment decreased from \$5,581 in 2003/04 to \$4,213 in 2006/07. This decrease may be partly explained by an increase in those who have categorised themselves as self-employed, but have reported receiving wage and salary income.

The average annual household income from investments increased from \$2,605 in 2003/04, to \$3,057 in 2006/07. Income from investments made up 4 percent of total household income in 2006/07, unchanged from 2003/04.

Personal income

For those aged 15 years and over, average annual income from regular sources was \$32,833 in 2006/07, up from \$29,722 in 2003/04. This was an increase of 10.5 percent.

The average annual income for males increased 5.6 percent, from \$37,408 in 2003/04 to \$39,491 in 2006/07. The average annual income for females increased 18.2 percent to \$26,593 in 2006/07. The increase in male income was primarily due to a \$3,612 increase in wage and salary income, while for females the increase was driven by wages and salary income (up \$3,781), investments (up \$510) and other government benefits (up \$362). Likely contributors to this increase in female income were increased female labour force participation, and the introduction of the Working for Families package.

In 2006/07, median annual personal income was \$25,367. This represented an increase of 15.2 percent, from \$22,019 in 2003/04. The increase in median annual personal income between 2003/04 and 2006/07 was 11.4 percent for males (\$29,616 to \$33,000), and 12.6 percent for females (\$17,833 to \$20,085).

Source of income	Proportion of total income (%)	
	Male	Female
Wages and salaries	77	69
Self-employment	8	3
Investments	4	5
Private superannuation	1	1
New Zealand Superannuation and war pensions	4	8
Other government benefits	3	10
Other sources	3	4

Wages and salaries was the largest source of income for males at 77 percent, followed by self-employment income (8 percent). For females, wages and salaries was also the largest source of income at 69 percent and other government benefits was the next largest source (10 percent).

Material standard of living

Questions on material standard of living were introduced into the survey in 2006/07. Among the information collected, people were asked how satisfied they were with their standard of living, and how adequately their income met their everyday needs.

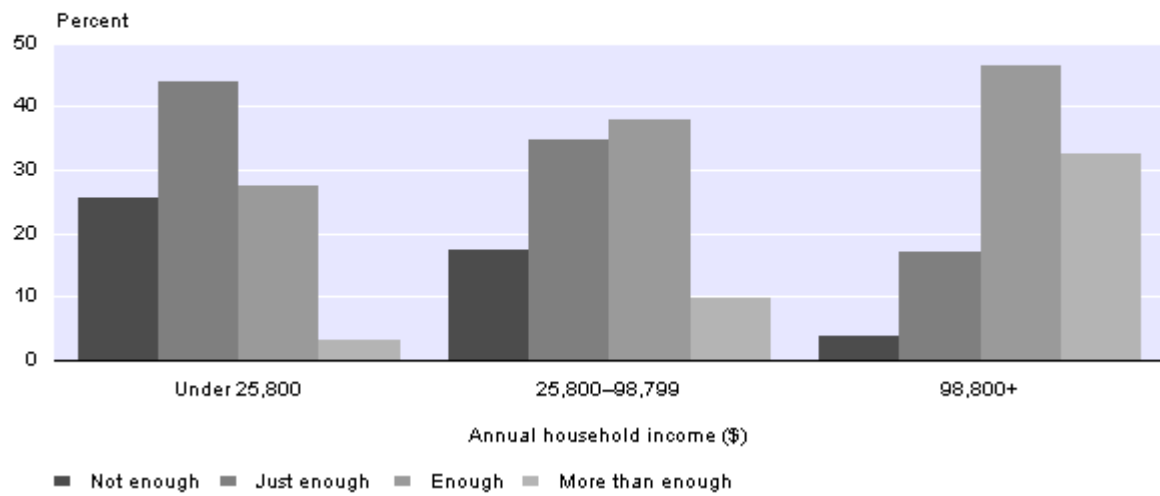
Most people were satisfied or very satisfied with their material standard of living, regardless of geographic location or level of income. Nationally, 75 percent of households were satisfied or very satisfied with their material standard of living, while only 10 percent were dissatisfied or very dissatisfied. Only 6 percent of households in the Rest of the South Island region were dissatisfied or very dissatisfied with their material standard of living, while the proportion for the Auckland region was 12 percent.

Fifty-one percent of all households reported that their income was enough or more than enough to meet their everyday needs for such things as accommodation, food and clothing. For households with a total income less than \$25,800, 31 percent reported that their income was enough or more than enough to meet their everyday needs. This compares with households with a total income of \$98,800 and over, where the proportion was 79 percent.

Adequacy of Income to Meet Everyday Needs

By annual household income

Year ended 30 June 2007



For technical information contact:
Caroline Brooking or Robyn Jaquier
Wellington 04 931 4600

Email: info@stats.govt.nz

Technical notes

Introduction

The Household Economic Survey (HES) was conducted on an annual basis from 1973 until the year ended March 1998. Since the year ended June 2001, it has been conducted triennially. The HES provides a comprehensive range of statistics relating to income and expenditure, as well as demographic information on households and individuals.

Survey design

Scope

The target population for the HES is the usually resident population of New Zealand residents living in 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 non-private dwellings such as hotels, motels, boarding houses, hostels, and homes for the elderly
- patients in hospitals, or residents of psychiatric and penal institutions
- members of the permanent armed forces
- people living on offshore islands (excluding Waiheke Island)
- members of the non-New Zealand armed forces
- overseas diplomats.

Children at boarding schools are not surveyed, but expenditure on behalf of those children is included 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 components

There are five survey components to the Household Economic Survey, and they are:

- a household questionnaire
- an expenditure questionnaire
- an income questionnaire for each household member 15 years and over
- expenditure diaries for each household member 15 years and over
- an Economic Living Standards Index (ELSI) Short Form for one member per household who is aged 18 years and over.

Recall and reference periods

The survey was carried out over the period from 1 July 2006 to 30 June 2007. Respondents were asked about their spending up to 12 months before the interview.

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.

Note that expenditure data collected by the diary covers a one-year period (from 1 July 2006 for households interviewed in that month, to 30 June 2007 for those interviewed then). Expenditure data collected by recall in the Expenditure Questionnaire covers a two-year period (one year back from 1 July 2006 for households interviewed in that month, through to 30 June 2007 for households interviewed then). Reported expenditure has not been adjusted for the effects of that difference in coverage.

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

Changes since 2003/04 and data comparability

Between 2003 and 2006, the HES underwent significant redevelopment, with many changes to all aspects of the survey cycle. This redevelopment included user consultation, reviews of current collection and output methodology, as well as the creation and application of new classifications and standards. The major changes were:

- a move to computer-assisted interviewing (CAI)
- the introduction of a new expenditure classification
- the inclusion of a questionnaire to capture information on the material standard of living for New Zealanders (ELSI Short Form)
- the rebase of population weights.

These changes are outlined in more detail in the following pages.

Other changes include the creation of a new storetype classification, updates to reflect real world changes and a move to align with classification standards in other areas of the survey eg for individual and household demographic variables. For further details on the results of the redevelopment, please read the paper [Changes to the Household Economic Survey on the Household Economic Survey web page](#).

As part of the Making More Information Freely Available (MIFA) initiative, further HES statistics are available on Table Builder for the first time on the [What's free – HES data web page](#). Additional Excel tables containing expenditure and storetype information are also available via this link.

For the period 2007/08 onwards, Statistics New Zealand will run a shortened version of this survey called HES (Income). HES (Income) will be conducted annually in the years between the full HES, and focuses on three areas of the full HES survey: household income, expenditure on housing costs, and living standards.

Introduction of computer-assisted interviewing

Computer-assisted interviewing (CAI) has now been implemented for the HES. It is the first time Statistics New Zealand has made use of CAI to administer, collect and store information for this survey. The CAI strategy involved a change in the mode of data collection from traditional pen and paper interviewing, to interviewers entering survey responses into laptop computers at the time of receipt. The only component of the survey to remain in paper form is the expenditure diary, where the paper responses are manually entered into an electronic processing system in the office.

The main benefits of CAI are improved data quality through better controlled interviews, and modest resource saving through the elimination of some processing steps.

Expenditure classification

The new expenditure classification is titled the New Zealand Household Expenditure Classification (NZHEC). It is based on the internationally recognised Classification of Individual Consumption According to Purpose (COICOP), but has slight modifications to better suit household spending patterns in New Zealand and the limitations of self-reporting using expenditure diaries.

The old and the new classification at the group level:

2003/04 expenditure classification	2006/07 NZHEC
01 Food	01 Food
02 Housing	02 Alcoholic beverages, tobacco and illicit drugs
03 Household operation	03 Clothing and footwear
04 Apparel	04 Housing and household utilities
05 Transportation	05 Household contents and services
06 Other goods	06 Health
07 Other services	07 Transport
08 Refunds, sales and trade-ins	08 Communication
	09 Recreation and culture
	10 Education
	11 Miscellaneous goods and services
	13 Other expenditure
	14 Sales, trade-ins and refunds

Note: 11.5.02 Financial intermediation services and all expenditure levels below this class level are found under the expenditure group 11 Miscellaneous goods and services in the classification. This expenditure is out of scope for the HES.

Material standard of living questionnaire

The Economic Living Standards Index (ELSI)(short-form version) questionnaire collects information of material standard of living by asking questions on ownership of particular items eg a good pair of shoes or heating in most rooms, social participation, and the extent that people engage in cost-related economising. The respondents were also asked how they rate their standard of living.

The results from this questionnaire can then be used in conjunction with other measures (eg income, expenditure, or household demographics) to provide an indication of the material standard of living of New Zealanders.

Population weighting adjustments

The population weighting used for HES is Integrated Weighting, which was first introduced for the 2000/01 release. This statistical method adjusts the statistical output to match externally sourced population benchmarks. In particular, it takes account of undercoverage in the survey for specific population groups such as young males and Māori.

Key benefits to using Integrated Weighting:

- improvements to the robustness and accuracy of the survey estimates
- the reduction of the effect of bias in estimates resulting from undercoverage
- a decrease in the level of sampling error for benchmark variables.

For the HES 2006/07, the population used for the Integrated Weighting has been benchmarked to estimates based on the 2006 Census. Where a time series comparison is possible, estimates for the 2003/04 survey have been revised to be on the equivalent population benchmarks.

Methodology changes

The main alterations to the methodology from the 2003/04 release are:

- The sample design was enhanced to allow for better broad regional estimates, rather than only national estimates.
- There are no longer any specific questions on clothing and footwear, alcohol and restaurant meals in the Expenditure Questionnaire, which means the majority of these types of expenditure are now captured in the Expenditure Diary. The main reason for this change was to reduce the burden to respondents of recalling these types of purchases over a 12 month period. Removing an expenditure limit on what is recorded in the diaries compensates for the loss of the Expenditure Questionnaire captured expenditure.
- Net capital outlay (purchase and sale of property and related costs) has been excluded, as it was deemed out of scope of the survey.

Time series comparison

No time series comparison between 2003/04 and 2006/07 is available for expenditure estimates due to combined effects resulting from the redevelopment to classifications, methodology and the questionnaires.

Revised income and selected technology item ownership statistics have been provided in this release. These statistics were found to be relatively unaffected by the redevelopment, and so the 2003/04 and 2006/07 data can be compared over time for movements in these measures.

Some years of data before 2003/04 have also been mentioned in this release. The population figures for these years were benchmarked based on the 2001 Census results. Since only proportions of households were used when making these time series comparisons (and not weighted household numbers), comparability is possible.

Reliability of the survey estimates

The HES sample comprised approximately 4,500 private households, sampled on a statistically representative basis from rural and urban areas throughout New Zealand. Information was obtained for each member of a sampled household that fell within the scope of the survey and met survey coverage rules. For 2006/07, the overall response rate was 62 percent (provisional).

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 expenditure, income and region. For example, in 2006/07 the estimated average annual household income for wages and salaries was \$50,235. This is subject to a percentage sampling error at the 95 percent confidence interval of plus or minus 5 percent. This means there is a 95 percent likelihood that the true value lies between \$47,723 and \$52,747.

The HES estimates are also subject to non-sampling error. 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 (eg non-response).

Under-reporting of expenditure

For some types of expenditure, the estimated amount 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 – known items susceptible to under-reporting are clothing, 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.

For the HES 2006/07, as well as those usual expenditure types mentioned above, under-reporting has also occurred for education and restaurant meals.

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.

Standards

Rounding

This has been done to improve the readability of the data and to provide a more appropriate level of precision to this sample survey. Discrepancies may occur between the sums of the component items and the totals of the tables due to rounding.

Percentages

All percentages in the Hot Off The Press have been calculated from unrounded data.

Definitions

Expenditure: Total net expenditure refers to net of sales, trade-ins and refunds, where as total gross expenditure excludes these. All expenditure includes Goods and Services Tax (GST).

Actual rents: Those rent payments which were specified as being paid by the household, as opposed to imputed rent (the estimated benefit value from home-ownership of not having to pay rent, partly offset for home-owners by the expenses of home ownership). Imputed rent is out of scope of the HES.

Income: All references to income in this release refer to before-tax (gross) income. Income has not been equivalised, so in other words, it has not been adjusted to remove the effects of household size or household types, like the number of dependent children.

Quintile: One-fifth of the population. The bottom quintile in terms of income represents the 20 percent of the population with the lowest incomes, while the top quintile represents the 20 percent of the population who receive the highest incomes.

Decile: One-tenth of the population. The bottom decile in terms of income represents the 10 percent of the population with the lowest incomes, while the top decile represents the 10 percent of the population who receive the highest incomes.

Average weekly household expenditure: Sum of the weekly household expenditure of those reporting a type of expenditure, divided by the sum of the number of households in the population.

Percentage of households reporting: Sum of the households reporting a type of expenditure, divided by the sum of number of households in the population.

Wages and salaries: Income received from all current and previous wage and salary jobs held over the reference period, and any job related bonuses, commissions, redundancies or other taxable income such as honoraria or directors fees.

Self-employment income: Net profit or loss received from all current and previous self-employment jobs held over the reference period, including drawings (cash or goods the respondent takes out of the business instead of receiving a 'wage').

Investment income: Net profit or loss received from investments such as rent, Māori land or other leased land, dividends from New Zealand companies, royalties, interest from the following: banks, other financial institutions, bonds, stocks, money market funds, debentures or securities.

Private superannuation income: Includes income received from both job-related superannuation schemes and other private schemes.

New Zealand Superannuation and war pensions: In addition to New Zealand Superannuation, this category also includes the Veterans, War Disablement and Surviving Spouse pensions.

Other government benefits: All family assistance payments such as those under the Working for Families package are included in this source category, as well as main benefits (eg unemployment benefit), student allowances, emergency benefits and supplements.

Other sources of regular and recurring income: Includes income received from trusts, annuities, alimony, educational scholarships, and income protection insurance.

Irregular income: Includes income received from inheritances, matrimonial settlement, lump sum life insurance pay outs, lump sum bursaries and prizes, and gifts of money from other New Zealand households.

Region: The HES sample design allows for a regional breakdown to the level of five broad regions. Auckland, Wellington and Canterbury regional council areas as separate regions, and the remaining regional council areas are grouped as Rest of North Island and Rest of South Island.

Rest of North Island: Consists of Northland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Taranaki and Manawatu-Wanganui regional council areas.

Rest of South Island: Consists of Nelson, Marlborough, Tasman, West Coast, Otago and Southland regional council areas.

More information

For more information, follow the link from the Technical notes of this release on the Statistics NZ website.

Copyright

Information obtained from Statistics NZ may be freely used, reproduced, or quoted unless otherwise specified. In all cases Statistics NZ must be acknowledged as the source.

Liability

While care has been used in processing, analysing and extracting information, Statistics NZ gives no warranty that the information supplied is free from error. Statistics NZ shall not be liable for any loss suffered through the use, directly or indirectly, of any information, product or service.

Timing

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

Next release ...

The next release will be the HES (Income) release in November 2008.

Statistics New Zealand: The first source of independent information for your key decisions.

Tables

The following tables can be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

List of tables

1. Average weekly household expenditure, households reporting and proportion of total net expenditure, by group, subgroup and class expenditure levels
2. Time series: average annual household income, by income source
3. Average weekly household expenditure, by expenditure group and region
4. Number of households, by household material standard of living and household income group
5. Households owning or having access to selected technology items and services
6. Personal demographics, by personal income group
7. Household demographics, by household income group