

1 HOUSEHOLD CONSUMPTION IN 2008

Between 1991 and 2008, housing surpassed food as New Caledonians' primary expense. Transport increased significantly to reach almost the same level as food in 2008.

In all, New Caledonian households devoted more than two-thirds of their total monthly expenses of XPF 343 000 to meet their housing, food and transport needs.

At the top of the list, rental fees and mortgage payments accounted for more than half the housing expenses. Meat and bread accounted for a quarter of food expenses. Finally, vehicle purchases took up half the transport budget.



1991 – 2008:

housing surpasses food

In 2008, housing was the top household expenses in New Caledonia, surpassing food, which had been first in 1991. The portion of the budget devoted to this category increased over the previous 17 years (+6 percentage points). With a net decrease over that same period (-5 percentage points), food including alcohol and restaurants dropped down to second place. As in 1991, transport remained third in the overall home budget but with a larger percentage in 2008, very close to that of food. In metropolitan France, the same overall ranking was seen in 2006 but with different percentages.

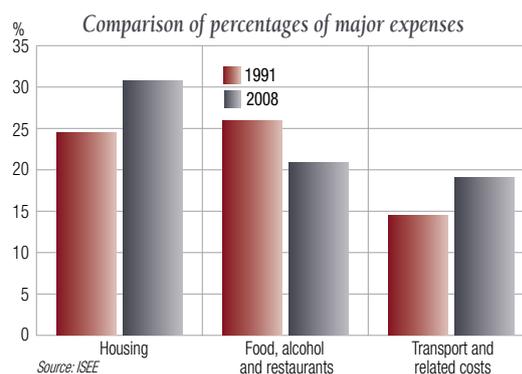
Over a period of 17 years, housing's share went from 25 to 31%, i.e. a 6 percentage points increase. Three factors contributed to this: prices on the

housing market increased; the population tended to migrate to the city where housing is more expensive, and finally, 30 housing units are now needed to accommodate 100 New Caledonians as compared to 25 in 1989 - the phenomenon of smaller nuclear families. Rental fees and mortgage payments were the housing items that have experienced the largest growth in percentages since 1991 (3 and 2 percentage points increase, respectively).

The percentage devoted to food dropped some 5 percentage points, going from 26% in 1991 to 21% in 2008. This decrease was offset by the rise in food products prices over that period (+45%) and this was budget item that experienced the highest levels of inflation. This contributed to maintaining food's overall share at a high level in 2008.

SOURCE

The household consumption survey is designed to reconstruct the expenses and resources of households in New Caledonia. The 2008 survey was carried over a one-year period from April 2007 to March 2008 and involved 3709 households distributed throughout all the townships. The last survey of this type was conducted in 1991. The categories of expenses differed between the two surveys. In order to make it possible to compare them, the main expense categories, e.g. housing, food and transport, were reconstructed. This article only presents monetary expenses and does not take into account the market values of non-monetary expenses, i.e. products used for subsistence purposes, e.g. agriculture, hunting, fishing.



The structure of consumption drew closer to that in France

Comparison of the percentages for food, transport and housing

Nature de la dépense	New-Caledonia			France 2006
	1991	2008	Variation 1991/2008	
Housing	24.7	30.8	+6.1	31.6
Dwelling (rentals, utilities and maintenance)	10.1	13.4	+3.7	12.8
Housing insurance		0.4		0.8
Dwelling furnishings	5.6	6.1	+0.5	5.7
Property taxes	0.5	0.2	-0.3	2.1
Mortgages	5.1	7.6	+2.5	5.8
Major house work investments	3.4	3.1	-0.3	4.4
Food products, alcohol and food services	25.9	21.0	-4.9	17.1
Food products (including non-alcoholic beverages)	21.5	16.6	-4.9	12.2
Alcohol	2.0	1.5	-0.5	1.1
Food services (including cafeterias)	2.4	2.9	+0.5	3.8
Transport and related expenses	14.2	19.1	+4.9	14.2
Vehicle purchases	8.8	9.3	+0.5	5.8
Fuel and lubricants	4.1	3.6	-0.5	2.8
Transport services	0.5	2.5	+2.0	2.3
Vehicle maintenance		1.6		1.5
Other costs (insurance, car taxes)	0.8	2.1	+2.9	1.8
Food, alcohol, food services, transport, housing	64.8	70.9	+6.1	62.9
Other expenses (Family assist. [one-way transfers], taxes, commun., clothing)	35.2	29.1	-6.1	37.2

Sources: ISEE, INSEE, enquête Budget des Familles 2006 Unit: %

In large part, the 5 percentage points increase for transport can be explained by vehicle maintenance and insurance services, which used 4% of the total household budget as compared to barely 1% in 1991. The share devoted to vehicle purchases remained steady in spite of a larger number of new vehicles per household. This can be explained in part by the very moderate rise in car prices, well under inflation for the 1991 - 2008 period (+28% as compared to +35%).

Housing:
top expense due to mortgages

Out of a monthly expense budget of XPF 343 000, households spent XPF 105 000 on housing (31%). Housing expenses varied greatly depending on the occupancy status of the primary place of residence; owners with mortgages spent nearly twice as much for their residences as renters did.

More than XPF 200 000 in expenses for owners with mortgages

Breakdown of monthly housing costs

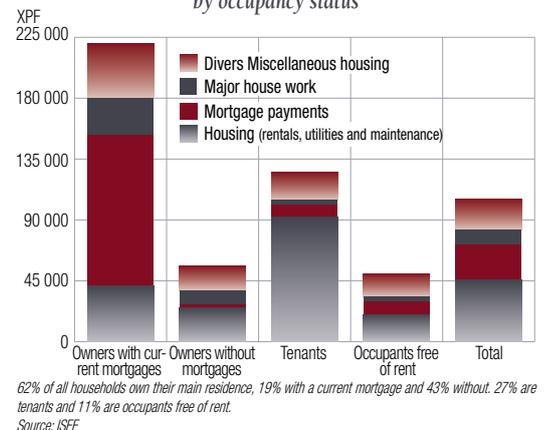
	Monthly amount*	Prop. of housing exp.
Accommodation	21 300	20.2
Utilities	20 300	19.3
including electricity	12 200	11.6
Maintenance	4 400	4.2
Furnishings	46 000	43.6
Purchase and repairs of durables	12 200	11.6
including furniture	4 300	4.1
appliances	3 100	2.9
tools	2 700	2.6
Purchase of non-durables	3 700	3.5
Domestic services	5 000	4.7
Equipment	20 900	19.8
Taxes - Insurance	1 900	1.8
Mortgage payments	25 900	24.6
Major house work investments	10 700	10.2
Housing	105 400	100.0

*This average is based on all households including owners, tenants and occupants free of rent. Units: XPF. %
Source: ISEE

The two major expenses households have to deal with in this area are paying back mortgages (XPF 26 000) and rental fees (XPF 21 000). One-third of the home-owning households had mortgages and made monthly payments of XPF 112 000. Rental fees were the major expense for renters in terms of housing (57% of their housing budgets). Mean monthly rental fees (not including utilities) varied from XPF 88 000 for regular renters to XPF 47 000 for assisted renters, e.g. SIC, FSH.

Electricity came in third in housing expenses and households spent XPF 12 000 per month on it.

Mean monthly housing expenses by occupancy status



Almost all owners carried out major house work investments, making it fourth in household expenses. Further down on this list were household services, e.g. cleaning, gardening, and home furnishings. One household out of every five used cleaning and gardening services. Household furnishings are composed of furniture and appliances, with more than XPF 10 000 spent on this category each month. Some 43% of households bought furniture in 2008, spending about XPF 10 000 on it each month. At the top of the appliance list, one out of every 10 households bought a fridge, for a mean price of XPF 75 000, and a washing machine, for a mean price of XPF 56 000.



Breakdown of food expenses

	Monthly amount	Prop. of food exp.
Meat	13 100	18.1
<i>including poultry</i>	3 500	4.8
<i>beef</i>	2 800	3.9
<i>pork</i>	2 400	3.3
Bread and cereals	11 800	16.3
<i>including bakery items</i>	4 000	5.5
<i>biscuits</i>	2 300	3.2
<i>rice</i>	1 600	2.2
<i>savory pastry items</i>	1 400	1.9
<i>pastries, cakes</i>	1 300	1.8
<i>pasta</i>	500	0.7
Milk, cheese, eggs	5 700	7.9
<i>including cheese</i>	1 600	2.2
<i>yoghurt</i>	1 000	1.4
<i>eggs</i>	1 000	1.4
<i>UHT milk</i>	1 800	2.5
Vegetables including potatoes and other tubers	5 200	7.2
<i>including fresh vegetables</i>	3 200	4.4
<i>canned vegetables</i>	800	1.1
Other food products	4 500	6.2
<i>including delivered meals</i>	2 100	2.9
<i>sauces and condiments</i>	1 000	1.4
Mineral water, soft drinks and juice	4 500	6.2
<i>including soda, soft drinks</i>	2 000	2.8
<i>fruit juices, fruit soft drinks</i>	1 100	1.5
<i>mineral water</i>	1 100	1.5
Fish and other fisheries products	3 600	5.0
<i>including seafood</i>	1 300	1.8
<i>fish</i>	1 300	1.8
Sugar, jam, honey, chocolate and confectionery	3 400	4.7
<i>including jam, chocolate, sweets</i>	1 700	2.4
<i>frozen dairy foods and ice cream</i>	800	1.1
<i>sugar</i>	400	0.6
Fruit	2 400	3.3
<i>including pomes and berries</i>	1 100	1.5
<i>citrus</i>	300	0.4
<i>bananas</i>	300	0.4
Coffee, tea, cocoa and other vegetables for herbal teas	1 600	2.2
<i>including coffee</i>	1 100	1.5
Oils and fats	1 100	1.5
<i>including edible oils</i>	500	0.7
<i>butter</i>	300	0.4
Food	56 900	78.8
Alcohol	5 200	7.2
<i>including wine</i>	2 500	3.5
<i>beer</i>	1 500	2.1
<i>spirits and liquor</i>	1 100	1.5
Alcohol	5 200	7.2
Food services	10 100	14.0
<i>including services de restauration assurés par les restaurants</i>	7 300	10.1
<i>cafés, bars and related areas</i>	2 200	3.0
<i>cafeterias</i>	600	0.8
Food services	10 100	14.0
Food alcohol, food services	72 200	100.0

Source: ISEE

Units: XPF %

In 2008, households spent XPF 57 000 per month on food products including non-alcoholic beverages; XPF 5 000 for alcohol and XPF 10 000 in restaurants, i.e. a total of XPF 72 000. Some 18% of this total budget was spent on meat, i.e. XPF 13 000 per month. Households preferred poultry (XPF 3 500 per month), followed by beef (XPF 2 800). After meat, the next budget item was “bread and cereals” (XPF 12 000 per month). Bread was the most widely consumed food product at XPF 133 per day per household. At much lower levels, families turned to milk products and eggs at about XPF 5 700 per month and vegetables at XPF 5 200, i.e. the same amount as for alcohol.

One-half of the XPF 5 000 spent on alcoholic beverages consisted of wine, 30% beer and the rest spirits. Less money was spent on non-alcoholic beverages, at XPF 4 500 per month.

Food:

meat represents highest single proportion on household expenditure for food

FOOD COSTS AS COMPARED TO OUR NEIGHBOURS

With 21% of the budget spent on food in the broad sense of the word, i.e. food products, alcohol and restaurants, households in New Caledonia were situated at an intermediary level in the Pacific zone, between their Australian and New Zealand neighbours (respectively 20% and 18% of the budget in 2004 and 2007) and Wallis and Futuna. (28% in 2006) but at a level that was still higher than in France (17% in 2006). French Polynesia is a great deal higher (27%), almost at the level of Wallis and Futuna, but the survey there dates back to 2001. Between 2001 and 2008, this level most likely decreased to one nearer that in New Caledonia.

On average, each month households spent more than XPF 65 000 on transport, 86% of which was related to their vehicles.

When the insurance and car tax were added in, vehicles costs about XPF 57 000 per month for New Caledonian households as compared to XPF 41 000 in metropolitan France.

Half the transport budget was spent on purchasing a new or used vehicle. In 2008, more than 13 600 households bought one, spending, on average, slightly more than XPF 1.8 million for each purchase. In this

category, four-wheel drive vehicles held the record with a mean amount of more than XPF 3.3 million per purchase; more than 2 300 households opted for this type of vehicle that year.

Vehicle purchases cost New Caledonian households XPF 32 000 per month, i.e. 9% of their total budget. In way of comparison, in France in 2006, this amount only totalled some XPF 18 000, i.e. 5% of the total budget.

This level of vehicle purchases leads to significant operating costs. The first cost, fuel, took second place

Transport:

buying a car before anything else!

Breakdown of transport and related expenses

	Monthly amount	Prop. transport exp.
Purchase of vehicles	31 900	48,6
<i>including new car</i>	18 100	27,6
Parts and accessories	1 700	2,6
Maintenance and repair	3 700	5,6
Fuel and lubricants	12 200	18,6
Vehicle purchase and maintenance	49 500	75,5
Other vehicle services (<i>toll and parking fees. etc.</i>)	500	0,8
Transport services (<i>land. air. maritime</i>)	8 200	12,5
<i>including air transport</i>	6 100	9,3
Total transport services	8 700	13,3
Total transport	58 200	88,7
Related costs (car insurance - taxes)	7 400	11,3
Transport and related costs	65 600	100,0

Source: ISEE

Units: XPF, %

in transport expenses with a total of XPF 12 000 per month. In France, households spend XPF 10 000 per month on fuel. Given the lower fuel prices in New Caledonia, New Caledonian households use more fuel than households in metropolitan France.

There were two reasons for this, i.e. New Caledonia's automotive sector has a higher percentage of vehicles with big engines and the public transport system is less developed, thereby encouraging daily use of private vehicles in town.

Vehicle maintenance and equipment required, on average, XPF 5 400 per month and insurance XPF 6 000, for a total monthly vehicle operating budget of XPF 24 000.

Transport services totalled some XPF 8 700 per month, more than 75% of which was spent on air transport. In the section "passenger transport by air", international transport was seven times greater than local and households spent an annual average of XPF 64 000 in this area. Road transport (buses, school buses, car rental) accounted for slightly more than 22% of this category, and finally, maritime transport, which is underdeveloped, only accounted for 3%. It should be noted that households in New Caledonia had a transport services budget twice that of their counterparts in metropolitan France.

TRANSPORT COSTS AS COMPARED TO OUR NEIGHBOURS

Transport (without related expenses) accounted for a large share of the budgets of New Caledonian families, at nearly 17% of the overall budget as compared to household budgets in Australia (12%), New Zealand (14%) and France (12%). It was close to that in Wallis and Futuna (15%).

Satellite and Internet subscriptions on the rise

After the three major expense categories, i.e. housing, transport and food, households favoured recreation and cultural activities. With a subscription rate of 41% of all households, paid

television services were the top expense. Holiday packages were also very successful in the recreation category since 10% of households bought such packages. The enthusiasm for sports-related services, e.g. pool, clubs, sports centres, should also be noted as one in every five households spent an average of XPF 7 500 per month on this category. In terms of durables for recreation, the top place went to boats. Although they only concerned 3% of all households, the mean price per transaction was XPF 900 000. Next came computer equipment (8% of all families bought computers in 2008), then television and related equipment purchases; although more widespread (25% of households), they involved more moderate costs.

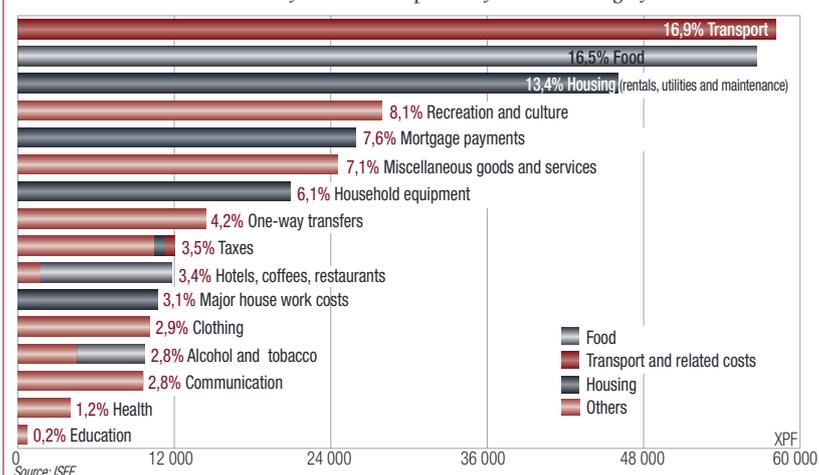
One-way transfers covered monetary transfers for celebrations or ceremonies as well as alimony and contributions to associations or, simply, financial assistance to other households. In all, they totalled, on average, XPF 14 000 each month, a sign of the solidarity shown by households in New Caledonia.

Communication expenses totalled XPF 9 600 per month. The appearance of new equipment and means of communication, e.g. cell phones, Internet connections, led to an increase in this category. In 2008, some 26% of the households had Internet connections and spent a mean monthly budget of XPF 9 000 on them, including related phone charges.

COICOP (Classification of Individual Consumption by Purpose): transport and food on an equal footing

The UN's COICOP (Classification Of Individual Consumption by Purpose) standard was used for the 2008 Household Consumption Budget tables. In our study, it was modified to create three major expense categories, i.e. housing, food, and transport and related costs. The COICOP presents household expenses in 12 divisions, with 4 extra divisions (one-way transfers, taxes, mortgage payments, and major housing work investments) that cover non-consumption expenses (expenses that do not correspond to the payment of goods or services). Using this classification, transport was the main expense, followed by food products, i.e. an average of XPF 58 000 and 57 000 per month for 17% of the total budget each. Housing, including rental and utilities, came in third with XPF 46 000 per month, i.e. 13% of the budget. The rest of the expenses were spread out over the other 13 categories, none on which exceeded 10% of the budget. At the other end of the scale, health and education, areas for which households received numerous subsidies, accounted for the smallest part of the budget.

Mean monthly household expenses by COICOP category



Source: ISEE