

Chair  
Cabinet Social Development Committee

## **SIX-MONTHLY REPORT ON REDUCING INEQUALITIES: JANUARY TO JUNE 2003**

### **Proposal**

- 1 This paper provides the January 2003 to June 2003 six-monthly report on reducing inequalities. It provides an account of progress in reducing inequalities as measured by key outcome measures, as well as an overview of the implementation and evaluation of reducing inequalities initiatives.

### **Executive Summary**

- 2 The reducing inequalities strategy aims to reduce the inequalities that currently divide our society and offer a good future for all by better coordination of strategies across government sectors and by supporting and strengthening the capacity of Māori and Pacific communities. It aims to ensure that all groups in society are able to participate fully and enjoy the benefits of improved productivity<sup>1</sup>.
- 3 This paper reports departmental activity on reducing inequalities initiatives allocated funding over the 2000/2003 period. Most reducing inequalities initiatives are making positive progress towards full implementation and delivering services to target groups, although a small minority have experienced difficulties. Although there were some early issues with under-expenditure on initiatives, in most cases these have been resolved. There is also a considerable volume of evaluation activity across the initiatives. However, in most cases outcome evaluation results are not yet available.
- 4 This paper also provides some context for the report on reducing inequalities initiatives, with an analysis of recent changes in outcomes for Māori and Pacific people. Indicators derived from the Social Report reveal that there have been many areas of improvements since the mid 1990s. Many indicators reveal that the Māori and Pacific populations are now experiencing better outcomes than the mid 1990s. Māori and Pacific people are less likely to be unemployed, are participating more in many forms of education, and have higher average incomes. The picture is however less positive when changes in outcomes for Māori and Pacific people are compared to the rest of the population. In a number of areas there have been the same or larger increases in outcomes for other groups within the general population, so that relative results are less positive.

### **Background**

- 5 In April 2002 Cabinet requested six monthly reports on the implementation of reducing inequalities initiatives [*SEQ (02) 18 & 19 refer*]. In August 2003 Cabinet Social Development Committee agreed to transfer six-monthly reporting and oversight of the wider reducing inequalities initiatives to the Ministry of Social Development with the next report due by October 2003 [*SDC Min (03) 19/2 refers*]. The deadline was extended until early December 2003 as a result of delays in receiving information from departments.

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<sup>1</sup> Government key goal.

## **The goals of the reducing inequalities strategy**

- 6 The reducing inequalities strategy aims to reduce the inequalities that currently divide our society and offer a good future for all by better coordination of strategies across sectors and by supporting and strengthening the capacity of Māori and Pacific communities. It aims to ensure that all groups in society are able to participate fully and enjoy the benefits of improved productivity.
- 7 The fundamental principles behind the reducing inequalities strategy are those of reducing the extent of disadvantage across New Zealand communities. It is about aiming for a society where all are able to participate, free from the constraints of unemployment, lack of education, poor housing, poverty, preventable ill health, victimisation, discrimination and social isolation. In addition, we want to ensure that our society is characterised by equality of opportunity, so that all are able to succeed and enjoy life.
- 8 Eliminating disadvantage and promoting equality of opportunity is about creating a 'fair' society. It is also about ensuring that the talents, skills and enthusiasm of all New Zealanders are harnessed to the best possible extent. The primary, but not exclusive focus of the reducing inequalities strategy is to improve outcomes for those Māori and Pacific peoples who are disadvantaged or who face limited opportunities.

## **Overview of the reducing inequalities strategy**

- 9 The reducing inequalities strategy is a whole of government strategy encompassing both social and economic initiatives. Broadly the strategy consists of:
  - major initiatives across a wide range of sectors that are encapsulated in such documents as the Māori Education Strategy, the Pasifika Education Plan, Reducing Inequalities in Health (2002) and outlined annually by thirteen of the larger departments in their Annual Reports
  - departmental responsiveness strategies aimed at ensuring public sector departments have both workforces and processes that are responsive to different groups in society including iwi, hapū and a variety of other communities
  - a range of initiatives funded in the 2000-2003 budgets.
- 10 Key elements of the reducing inequalities strategy are to support and strengthen the capacity of communities, especially Māori and Pacific, ensure that public services are of high quality and responsive to the needs of different groups, and most importantly focus on policy priorities that will make the greatest difference.

## **Measuring progress in terms of outcomes**

- 11 In order to measure the overall progress of the reducing inequalities strategy, we have canvassed a selected range of high level social outcomes indicators and measures. These are provided in Attachment 1.
- 12 In what follows we set out our assessment of recent progress in terms of outcomes for Māori and Pacific peoples. However, there are a number of important caveats attached to this interpretation:
  - indicators provide only an imperfect measure of underlying outcomes

- many of the outcomes being measured change only slowly, and are the product of past events (for example life expectancy can reflect social and economic conditions over many past decades)
- the outcomes measured by indicators reflect a variety of influences apart from government intervention. Many influences such as international economic growth are outside the control of government.

13 It should also be noted that the analysis set out below is a preliminary attempt to summarise how outcomes have changed. A more thorough analysis will be provided as part of the Next Steps report in February 2004 [SDC Min (03) 19/2 refers].

### **Measuring progress in outcomes with Social Report indicators**

- 14 Attachment 1 sets out 27 indicators of key social and economic outcomes drawn from the Social Report. As is well known, most indicators show that average outcomes for Māori and Pacific peoples are not as good as average outcomes for the general population.
- 15 Table 1 below provides a summary of recent trends in the indicators for Māori and Pacific peoples. For those indicators where time series information was available, we have set out trends measured on both an 'absolute' as well as a 'relative' basis. In other words, we analyse both whether Māori and Pacific people are better or worse off than Māori and Pacific people in the mid 1990s (absolute comparisons), as well as compared to changes for the general population (relative comparisons). More detail on the indicators is set out in Attachment 1.
- 16 Since the mid 1990s there have been absolute improvements in outcomes for both Māori and Pacific communities across a range of indicators. However, due to the same or sometimes greater increases in outcomes for the other groups other than Māori or Pacific within the general population, relative results are on occasion less positive.

<b>Table 1: Summary of indicators</b>		
<b>Overall performance</b>	<b>Sector</b>	<b>Description of changes</b>
Areas of improvement	Paid Work	For both Māori and Pacific peoples as a group, and in comparison to the general population, unemployment and other labour market outcomes are improving.
	Cultural identity	Outcomes are improving although based on a limited number of indicators.
A mixed picture	Economic standard of living	For both Māori and Pacific peoples many indicators are showing absolute improvements. In particular, average incomes are improving. However, compared to the rest of the population the overall picture is one of no change.
	Safety	A number of indicators are improving for both Māori and Pacific peoples as a group, and in comparison to the general population. The victimisation survey indicates no improvements in outcomes for Māori.
	Knowledge and skills	Māori and Pacific participation is generally improving in absolute terms across all education sectors. However on a relative basis a few of the measures are not improving.
Areas of concern	Health	Since the mid 1990s indicators of life expectancy at birth and age standardised suicide rates have improved for Maori. However other indicators, especially on a relative

		basis, show little improvement.
Time trend data not available	Social connectedness	

### **Progress as measured by goals and targets**

- 17 In 2000 Government agreed to a range of goals and targets aimed at reducing inequalities in the areas of employment, health and education [SEQ(02) 18 & 19 refer]. A number of these goals and targets are included in the Social Report indicators reported in Attachment 1. The Ministry of Social Development has requested that all relevant departments provide updated information on goals and targets, and we will report progress against these goals and targets to Cabinet as part of the February 2004 Next Steps report.

### **Update on specifically funded initiatives**

- 18 Attachment 2 provides an account of the implementation of specifically funded initiatives for the period January to June 2003. The initiatives reported are divided into two groups. The first are those that were funded from the reducing inequalities contingency in the 2000/01 budget. The second group are baseline funded initiatives that fall into the reducing inequalities programme of work. In total, there are 88 main initiatives and a further 66 sub-initiatives that fall under a main initiative.

### **Implementation**

- 19 Attachment 2 shows that most initiatives are being successfully implemented and providing services and support to intended target groups. There are a range of successful initiatives. Examples include the National Library's *Strengthening School Libraries Project* in low decile schools, which has had a major impact on those school libraries involved, and Health's *Aukati Kaipapa* smoking cessation pilot which has a quit rate at 12 months significantly higher than for those who have attempted to quit on their own. Participation rates in programmes are also encouraging, for example over 50,000 people each year are participating in Sport and Recreation's *He Oranga Poutama* physical activity programme, which should have positive spin-offs for health down the track.
- 20 The implementation report also shows a small number of initiatives experiencing some difficulties and under review. An example is the *Pacific Crime Prevention Activities* programme set up to form Pacific Safer Community Councils in three areas. The generic model on which the programme is based has been found to be unsuitable for Pacific communities and is now being reconsidered. *Māori teacher supply initiatives, Professional Development for Māori Medium Training Providers*, is another example of a programme that was re-shaped after poor initial results.
- 21 In the last six-monthly report presented to SDC in August 2003 three initiatives were identified as experiencing difficulties. These were the *Radio Pacific Network, Te Aronga Hou* and *Te Runanga o Raukawa* [SDC (03) 117 refer]. Another initiative experiencing difficulties is the *Ngāti Kahungunu Low Cost Housing Scheme*. It is now reported that following a change in provider *Te Aronga Hou* is progressing well. Issues for the other three initiatives are yet to be fully resolved, but work is progressing to this end.

## Expenditure

- 22 Tables 2 and 3 provide planned and actual expenditure information. Based on the information in this report there was \$198.046 million of planned contingency expenditure for the four year period ending June 2004. At the end of the 2002/2003 year approximately 66% had been spent. For baseline funded initiatives, there is \$365.567 million of planned expenditure over the four year period to June 2004. As at the end of June 2003 approximately 89% of this funding is recorded as spent.

<b>Department</b>	<b>Planned expenditure 2000-2004</b>	<b>Planned expenditure 2002/2003</b>	<b>Actual expenditure 2002/2003</b>
National Library	1,111	291	291
Sport and Recreation New Zealand	3,413	975	975
Ministry of Agriculture and Forestry	240	91	92
Ministry of Justice	900	625	303
Department of Corrections	3,620	905	905
Housing New Zealand Corporation	29,621	6,835	5,793
Child Youth and Family	18,853	4,014	3,974
Ministry of Education	83,925	27,371	23,189
Ministry of Health	29,672	9,601	9,372
Ministry of Social Development	22,595	6,875	6,559
Te Puni Kōkiri	4,096	941	941
<b>Total</b>	<b>198,046</b>	<b>58,524</b>	<b>52,394</b>

<b>Department</b>	<b>Planned expenditure 2000-2004</b>	<b>Planned expenditure 2002/2003</b>	<b>Actual expenditure 2002/2003</b>
Ministry of Culture and Heritage	2,086	1,797	1,797
Department for Courts	8,141	1,900	1,900
Housing New Zealand Corporation	36,126	6,188	6,185
Child Youth and Family	27,538	5,248	4,943
Ministry of Education	168,865	100,151	98,618
Ministry of Health	20,802	5,174	5,164
Ministry of Social Development	3,000	1,000	939
Department of Labour	31,760	7,780	7,768
Te Puni Kōkiri	67,249	16,916	16,496
<b>Total</b>	<b>365,567</b>	<b>146,154</b>	<b>143,810</b>

- 23 As set out above, overall actual expenditure for the year ended June 2003 was \$52.394 million from contingency funding and \$143.810 million from baseline budgets.
- 24 In most cases departments have spent their planned allocation for the 2002/03 financial year. Where lower expenditure has occurred it is explained by slower than anticipated progress, and this is evident with some of the initiatives reliant on developing relationships and building community capacity and capability. It should also be noted that some of the apparent under spending is not confirmed because the final figures for some Ministry of Education spending for the 2002/2003 financial year were not available for this report.

### **Evaluations of specifically funded initiatives**

- 25 Attachment 2 provides a summary of the extensive evaluation and monitoring work across reducing inequalities initiatives. However, the majority of evaluations and reviews over the last three years have concentrated on implementation and outputs, rather than outcomes and effectiveness. A number of outcome evaluations are proposed, or are currently being progressed. In part, the slow progress of outcomes evaluations reflects the fact that many initiatives are only now at a stage where outcome evaluation is possible.
- 26 The Ministry of Social Development is undertaking a review of programme effectiveness by assessing a range of evaluations, including where available, reducing inequalities initiatives. This work is due to be reported in February 2004 [*SDC Min (03) 19/2 refers*].

### **Reducing inequalities work programme**

- 27 Key future deliverables for the Reducing Inequalities work programme include:
- *Six Monthly reports.* The Ministry of Social Development is proposing that the July to December 2003 six monthly report (to be provided to the Social Development Committee by March 2004) not be as comprehensive as the current report. It will instead provide a higher level overview of initiatives. A full report on initiatives covering the year ended June 2004 and reviewing the four year funding period for initiatives will be provided to Cabinet by the end of September 2004.
  - *Next Steps Report.* Officials are preparing a report on key policy priorities for the future in relation to reducing inequalities. This will be reported to the Social Development Committee by the end of February. It is intended that this Next Steps report will also provide a more comprehensive overview of outcomes for Māori and Pacific people, as well as an attempt at summarising what has been effective at improving outcomes [*SDC Min (03) 19/2 refers*].
  - *Departmental Planning and Reporting on Reducing Inequalities.* Currently Treasury Circular (2001/06) requires 13 departments to report on reducing inequalities as part of their annual reports. If any revisions to these requirements are proposed, they will form part of the Next Steps report in February 2004.

### **Consultation**

- 28 A number of agencies were consulted in the preparation of this paper. The Ministry of Social Development has engaged in consultation with Treasury, Ministry of Economic Development, State Services Commission, Department of Prime Minister and Cabinet, Ministry of Health, Ministry of Education, Ministry of Justice, Te Puni Kōkiri, Ministry of Pacific Island Affairs, Ministry of Women's Affairs, Housing New Zealand Corporation, Department of Labour, Department of Child, Youth and Family Services, Department of Corrections, Sport and

Recreation New Zealand, Ministry of Agriculture and Forestry, National Library, Culture and Heritage, Department for Courts (now with the Ministry of Justice).

### **Financial implications**

29 There are no financial implications.

### **Human rights implications**

30 There are no Human Rights Act implications.

### **Legislative implications**

31 There are no legislative implications.

### **Gender implications**

32 A number of reducing inequalities initiatives target gender specific issues and impact on outcomes for men and women accordingly. Social indicators can also highlight gender specific outcomes and where appropriate these have been identified.

### **Disability perspective**

33 The goals of the reducing inequalities strategy are consistent with the fully inclusive vision of the New Zealand Disability Strategy.

### **Recommendations**

34 It is recommended that the Committee:

- 1 **note** that Attachment 1 provides an initial attempt to assess key social and economic indicators for Māori and Pacific peoples, and reveals that:
  - since the mid 1990s both Māori and Pacific communities have experienced absolute improvements in outcomes across a range of indicators
  - relative results are less positive than absolute improvements, due to the fact that in some instances there have been the same or greater increases in outcomes for groups other than Māori and Pacific within the general population
- 2 **note** that Attachment 2 provides the six-monthly implementation report on specifically-funded reducing inequalities initiatives for the period January to June 2003
- 3 **note** that the majority of initiatives are making positive progress towards full implementation and delivering services to target groups, although a small minority have experienced difficulties
- 4 **note** that the number of outcome evaluations is limited, although departments are indicating that some are planned

- 5 **note** that the Ministry of Social Development is seeking completed evaluations from departments in order to undertake a review of programme effectiveness, due to be reported by the end of February 2004
- 6 **note** that future reducing inequalities papers to the Social Development Committee will include:

Next Steps Report	Advice on policy priorities for reducing inequalities.	End of February 2004
Departmental planning and reporting	Revision of departmental reporting requirements to be reported in tandem with the Next Steps Report.	End of February 2004
Six monthly report on initiatives	High level overview of specifically funded initiatives for the six months to December 2003.	April 2004
	Full report on four years of specifically funded initiatives.	September 2004

Steve Maharey  
Minister for Social Development and Employment